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Fellow-citizens of the Senate and House of Representatives:

To express gratitude to God, in the name of the people, for the preservation of the United States, is my first duty in addressing you. Our thoughts next revert to the death of the late President by an act of parricidal treason. The grief of the nation is still fresh; it finds some solace in the consideration that he lived to enjoy the highest proof of its confidence by entering on the renewed term of the Chief Magistracy, to which he had been elected; that he brought the civil war substantially to a close; that his loss was deplored in all parts of the Union; and that foreign nations have rendered justice to his memory. His removal cast upon me a heavier weight of cares than ever devolved upon any one of his predecessors. To fulfill my trust I need the support and confidence of all who are associated with me in the various departments of government, and the support and confidence of the people. There is but one way in which I can hope to gain their necessary aid; it is, to state with frankness the principles which guide my conduct, and their application to the present state of affairs, well aware that the efficiency of my labors will, in a great measure, depend on your and their undivided approbation.

THE NATURE OF OUR UNION—ITS POWERS, DUTIES AND LIMITS.

The Union of the United States of America was intended by its authors to last as long as the States themselves shall last. "THE UNION SHALL BE PERPETUAL," are the words of the Confederation. "TO FORM A MORE PERFECT UNION," by an ordinance of the people of the United States, is the declared purpose of the constitution. The hand of Divine Providence was never more plainly visible in the affairs of men than in the framing and the adopting of that instrument. It is, beyond comparison, the greatest event in American history; and indeed is it not, of all events in modern times, the most pregnant with consequences for every people of the earth? The members of the convention which prepared it, brought to their work the experience of the Confederation, of their several States, and of other republican governments, old and new; but they needed and they obtained a wisdom superior to experience. And when for its validity it required the approval of a people that occupied a large part of a continent and acted separately in many distinct conventions, what is more wonderful than that, after earnest contention and long discussion, all feelings and all opinions were ultimately drawn in one way to its support.

The constitution to which life was thus imparted contains within itself ample resources for its own preservation. It has power to enforce the laws, punish treason, and insure domestic tranquillity. In case of the usurpation of the government of a State by one man, or an oligarchy, it becomes the duty of the United States to make good the guarantee to that State of a republican form of government, and to so maintain the homogeneousness of all. Does the lapse of time reveal defects? A simple mode of amendment is provided in the constitution itself, so that its conditions can always be made to conform to the requirements of advancing civilization. No room is allowed even for the thought of a possibility of its coming to an end. And these powers of self-preservation have always been asserted in their complete integrity by every patriotic Chief Magistrate—by JEFFERSON and JACKSON not less than by WASHINGTON and MADISON. The parting advice of the Father of his Country, while yet President, to the people of the United States, was, that "the free constitution, which was the work of their hands, might be sacredly maintained;" and the inaugural words of President JEFFERSON held up "the preservation of the General Government, in its constitutional vigor, as the sheet-anchor of our peace at home and safety abroad." The constitution is the work of "the People of the United States," and it should be as indestructible as the people.

It is not strange that the framers of the constitution, which had no model in the past, should not have fully comprehended the excellence of their own work. Fresh from a struggle against arbitrary power, many patriots suffered from harassing fears of an absorption of the State Governments by the General Government, and many from a dread that the States would break away from their orbits. But the very greatness of our country should allay the apprehension of encroachments by the General Government. The subjects that come unquestionably within its jurisdiction are so numerous that it must ever naturally refuse to be embarrassed by questions that lie beyond it. Were it otherwise, the Executive would sink beneath the burden; the channels of justice would be choked; legislation would be obstructed by excess; so that there is a greater temptation to exercise some of the functions of the General Government through the States than to trespass on their rightful sphere. "The absolute acquiescence in the decisions of the majority" was, at the beginning of the century, enforced by JEFFERSON "as the vital principle of republics," and the events of the last four years have established, we will hope forever, that there lies no appeal to force.

The maintenance of the Union brings with it "the support of the State Governments in all their rights;" but it is not one of the rights of any State Government to renounce its own place in the Union, or to nullify the laws of the Union. The largest liberty is to be maintained in the discussion of the acts of the Federal Government; but there is no appeal from its laws, except to the various branches of that Government itself, or to the people, who grant to the members of the Legislative and of the Executive Departments no tenure but a limited one, and in that manner always retain the powers of redress.

"The sovereignty of the States" is the language of the Confederacy, and not the language of the constitution. The latter contains the emphatic words: "The constitution, and the laws of the United States which shall be made in pursuance thereof, and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby, anything in the constitution or laws of any State to the contrary notwithstanding." Certainly the Government of the United States is a limited government; and so is every State Government a limited government. With us, this idea of limitation spreads through every form of administration, general, State, and municipal, and rests on the great distinguishing principle of the recognition of the rights of man. The ancient republics absorbed the individual in the State, prescribed his religion, and controlled his activity. The American system rests on the assertion of the equal right of every man to life, liberty and the pursuit of happiness; to freedom of conscience, to the culture and exercise of all his faculties. As a consequence, the State Government is limited, as to the General Government in the interest of Union, as to the individual citizen in the interest of freedom.

States, with proper limitations of power, are essential to the existence of the Constitution of the United States. At the very commencement, when we assumed a place among the Powers of the earth, the Declaration of Independence was adopted by States; so also were the Articles of Confederation; and when "the People of the United States" ordained and established the constitution, it was the assent of the States, one by one, which gave it vitality. In the event, too, of any amendment to the constitution, the proposition of Congress needs the confirmation of States. Without States, one great branch of the legislative government would be wanting. And, if we look beyond the letter of the constitution to the character of our country, its capacity for comprehending within its jurisdiction a vast continental empire is due to the system of States. The best security for the perpetual existence of the States is the "supreme authority" of the constitution of the United States. The perpetuity of the constitution brings with it the perpetuity of the States; their mutual relation makes us what we are, and in our political system their connexion is indissoluble. The whole cannot exist without the parts, nor the parts without the whole. So long as the constitution of the United States endures, the States will endure; the destruction of the one is the destruction of the other; the preservation of the one is the preservation of the other.

I have thus explained my views of the mutual relations of the constitution and the States, because they unfold the principles on which I have sought to solve the momentous questions and overcome the appalling difficulties that met me at the very commencement of my administration. It has been my steadfast object to escape from the sway of momentary passions, and to derive a healing policy from the fundamental and unchanging principles of the constitution.

I found the States suffering from the effects of a civil war. Resistance to the General Government appeared to have exhausted itself. The United States had recovered possession of their forts and arsenals; and their armies were in the occupation of every State which had attempted to secede. Whether the territory within the limits of those States should be held as conquered territory, under military authority emanating from the President as the head of the Army, was the first question that presented itself for decision.

MILITARY GOVERNMENTS.

Now, military governments, established for an indefinite period, would have offered no security for the early suppression of discontent; would have divided the people into the vanquishers and the vanquished; and would have envenomed hatred, rather than have restored affection. Once established, no precise limit to their continuance was conceivable. They would have occasioned an incalculable and exhausting expense. Peaceful emigration to and from that portion of the country is one of the best means that can be thought of for the restoration of harmony; and that emigration would have been prevented; for what emigrant from abroad, what industrious citizen at home, would place himself willingly under military rule? The chief persons who would have followed in the train of the army would have been dependents on the General Government, or men who expected profit from the miseries of their erring fellow-citizens. The powers of patronage and rule which would have been exercised, under the President, over a vast, and populous, and naturally wealthy region, are greater than, unless under extreme necessity, I should be willing to intrust to any one man; they are such as for myself I could never, unless on occasions of great emergency, consent to exercise. The willful use of such powers, if continued through a period of years, would have endangered the purity of the General Administration and the liberties of the States which remained loyal.

Besides, the policy of military rule over a conquered territory would have implied that the States whose inhabitants may have taken part in the rebellion had, by the acts of those inhabitants, ceased to exist. But the true theory is, that all pretended acts of secession were, from the beginning, null and void. The States cannot commit treason, nor screen the individual citizens who may have committed treason, any more than they can make valid treaties, or engage in lawful commerce with any foreign power. The States attempting to secede placed themselves in a condition where their vitality was impaired, but not extinguished—their functions suspended, but not destroyed.

But if any State neglects or refuses to perform its offices, there is the more need that the General Government should maintain all its authority, and, as soon as practicable, resume the exercise of all its functions. On this principle I have acted, and have gradually and quietly, and by almost imperceptible steps, sought to restore the rightful energy of the General Government and of the States. To that end, Provisional Governors have been appointed for the States, conventions called, Governors elected, Legislatures assembled, and Senators and Representatives chosen to the Congress of the United States. At the same time, the courts of the United States, as far as could be done, have been reopened, so that the laws of the United States may be enforced through their agency. The blockade has been removed and the custom-houses reëstablished in ports of entry, so that the revenue of the United States may be collected. The Post-office Department renews its ceaseless activity, and the General Government is thereby enabled to communicate promptly with its officers and agents. The courts bring security to persons and property; the opening of the ports invites the restoration of industry and commerce; the post-office renews the facilities of social intercourse and of business. And is it not happy for us all, that the restoration of each one of these functions of the General Government brings with it a blessing to the States over which they are extended? Is it not a sure promise of harmony and renewed attachment to the Union that, after all that has happened, the return of the General Government is known only as a beneficence?

I know very well that this policy is attended with some risk; that for its success it requires at least the acquiescence of the States which it concerns; that it implies an invitation to those States, by renewing their allegiance to the United States, to resume their functions as States of the Union. But it is a risk that must be taken; in the choice of difficulties, it is the smallest risk; and to diminish, and, if possible, to remove all danger, I have felt it incumbent on me to assert one other power of the General Government—the power of pardon. As no State can throw a defence over the crime of treason, the power of pardon is exclusively vested in the Executive Government of the United States. In exercising that power, I have taken every precaution to connect it with the clearest recognition of the binding force of the laws of the United States, and an unqualified acknowledgment of the great social change of condition in regard to slavery which has grown out of the war.

THE NEED OF MUTUAL CONCESSIONS—MEASURES FOR RECONSTRUCTION.

The next step which I have taken to restore the constitutional relations of the States, has been an invitation to them to participate in the high office of amending the constitution. Every patriot must wish for a general amnesty at the earliest epoch consistent with public safety. For this great end there is need of a concurrence of all opinions, and the spirit of mutual conciliation. All parties in the late terrible conflict must work together in harmony. It is not too much to ask, in the name of the whole people, that, on the one side, the plan of restoration shall proceed in conformity with a willingness to cast the disorders of the past into oblivion; and that, on the other, the evidence of sincerity in the future maintenance of the Union shall be put beyond any doubt by the ratification of the proposed amendment to the constitution, which provides for the abolition of slavery forever within the limits of our country. So long as the adoption of this amendment is delayed, so long will doubt, and jealousy, and uncertainty prevail. This is the measure which will efface the sad memory of the past; this is the measure which will most certainly call population, and capital, and security, to those parts of the Union that need them most. Indeed, it is not too much to ask of the States which are now resuming their places in the family of the Union to give this pledge of perpetual loyalty and peace. Until it is done, the past, however much we may desire it, will not be forgotten. The adoption of the amendment reunites us beyond all power of disruption. It heals the wound that is still imperfectly closed; it removes slavery, the element which has so long perplexed and divided the country; it makes of us once more a united people, renewed and strengthened, bound more than ever to mutual affection and support.

The amendment to the constitution being adopted, it would remain for the States, whose powers have been so long in abeyance, to resume their places in the two branches of the National Legislature, and thereby complete the work of restoration. Here it is for you, fellow-citizens of the Senate, and for you, fellow-citizens of the House of Representatives, to judge each of you for yourselves, of the elections, returns, and qualifications of your own members.

The full assertion of the powers of the General Government requires the holding of Circuit Courts of the United States within the districts where their authority has been interrupted. In the present posture of our public affairs, strong objections have been urged to holding those courts in any of the States where the rebellion has existed; and it was ascertained, by inquiry, that the Circuit Court of the United States would not be held within the District of Virginia during the Autumn or early Winter, nor until Congress should have "an opportunity to consider and act on the whole subject." To your deliberations the restoration of this branch of the civil authority of the United States is therefore necessarily referred, with the hope that early provision will be made for the resumption of all its functions. It is manifest that treason, most flagrant in character, has been committed. Persons who are charged with its commission should have fair and impartial trials in the highest civil tribunals of the country, in order that the constitution and the laws may be fully vindicated; the truth clearly established and affirmed that treason is a crime, that traitors should be punished and the offence made infamous; and, at the same time, that the question may be judicially settled, finally and forever, that no State of its own will has the right to renounce its place in the Union.

THE FREEDMEN AND THEIR RELATIONS WITH THE GOVERNMENT—QUESTION OF ALLOWING THEM TO VOTE.

The relations of the General Government toward the four millions of inhabitants whom the war has called into freedom, have engaged my most serious consideration. On the propriety of attempting to make the freedmen electors by the proclamation of the Executive, I took for my counsel the constitution itself, the interpretations of that instrument by its authors and their contemporaries, and recent legislation by Congress. When, at the first movement toward independence, the Congress of the United States instructed the several States to institute governments of their own, they left each State to decide for itself the conditions for the enjoyment of the elective franchise. During the period of the Confederacy, there continued to exist a very great diversity in the qualifications of electors in the several States; and even within a State a distinction of qualification prevailed with regard to the officers who were to be chosen. The Constitution of the United States recognizes these diversities when it enjoins that, in the choice of members of the House of Representatives of the United States, "the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State Legislature." After the formation of the Constitution, it remained, as before, the uniform usage for each State to enlarge the body of its electors, according to its own judgment; and, under this system, one State after another has proceeded to increase the number of its electors, until now universal suffrage, or something very near it, is the general rule. So fixed was this reservation of power in the habits of the people, and so unquestioned has been the interpretation of the constitution, that during the civil war the late President never harbored the purpose—certainly never avowed the purpose—of disregarding it; and in the acts of Congress, during that period, nothing can be found which, during the continuance of hostilities, much less after their close, would have sanctioned any departure by the Executive from a policy which has so uniformly obtained. Moreover, a concession of the elective franchise to the freedmen, by act of the President of the United States, must have been extended to all colored men, wherever found, and so must have established a change of suffrage in the Northern, Middle and Western States, not less than in the Southern and Southwestern. Such an act would have created a new class of voters, and would have been an assumption of power by the President which nothing in the constitution or laws of the United States would have warranted.

On the other hand, every danger of conflict is avoided when the settlement of the question is referred to the several States. They can, each for itself, decide on the measure, and whether it is to be adopted at once and absolutely, or introduced gradually and with conditions. In my judgment, the freedmen, if they show patience and manly virtues, will sooner obtain a participation in the elective franchise through the States than through the General Government, even if it had power to intervene. When the tumult of emotions that have been raised by the suddenness of the social change shall have subsided, it may prove that they will receive the kindliest usage from some of those on whom they have heretofore most closely depended.

But while I have no doubt that now, after the close of the war, it is not competent for the General Government to extend the elective franchise in the several States, it is equally clear that good faith requires the security of the freedmen in their liberty and their property, their right to labor, and their right to claim the just return of their labor. I cannot too strongly urge a dispassionate treatment of this subject, which should be carefully kept aloof from all party strife. We must equally avoid hasty assumptions of any natural impossibility for the two races to live side by side in a state of mutual benefit and good will. The experiment involves us in no inconsistency; let us, then, go on and make that experiment in good faith, and not be too easily disheartened. The country is in need of labor, and the freedmen are in need of employment, culture, and protection. While their right of voluntary migration and expatriation is not to be questioned, I would not advise their forced removal and colonization. Let us rather encourage them to honorable and useful industry, where it may be beneficial to themselves and to the country; and, instead of hasty anticipations of the certainty of failure, let there be nothing wanting to the fair trial of the experiment. The change in their condition is the substitution of labor by contract for the status of slavery. The freedman cannot fairly be accused of unwillingness to work, so long as a doubt remains about his freedom of choice in his pursuits, and the certainty of his recovering his stipulated wages. In this the interest of the employer and the employed coincide. The employer desires in his workmen spirit and alacrity, and these can be permanently secured in no other way. And if the one ought to be able to enforce the contract, so ought the other. The public interest will be best promoted if the several States will provide adequate protection and remedies for the freedmen. Until this is in some way accomplished, there is no chance for the advantageous use of their labor; and the blame of ill-success will not rest on them.

I know that sincere philanthropy is earnest for the immediate realization of its remotest aims; but time is always an element in reform. It is one of the greatest acts on record to have brought four millions of people into freedom. The career of free industry must be fairly opened to them; and then their future prosperity and condition, must, after all, rest mainly on themselves. If they fail, and so perish away, let us be careful that the failure shall not be attributable to any denial of justice. In all that relates to the destiny of the freedmen, we need not be too anxious to read the future; many incidents which, from a speculative point of view, might raise alarm, will quietly settle themselves.

No that slavery is at an end, or near its end, the greatness of its evil, in the point of view of public economy, becomes more and more apparent. Slavery was essentially a monopoly of labor, and as such locked the States where it prevailed against the incoming of free industry. Where labor was the property of the capitalist, the white man was excluded from employment, or had but the second best chance of finding it; and the foreign emigrant turned away from the region where his condition would be so precarious. With the destruction of the monopoly, free labor will hasten from all parts of the civilized world to assist in developing various and immeasurable resources which have hitherto lain dormant. The eight or nine States nearest the Gulf of Mexico have a soil of exuberant fertility, a climate friendly to long life, and can sustain a denser population than is found as yet in any part of our country. And the future influx of population to them will be mainly from the North, or from the most cultivated nations in Europe. From the sufferings that have attended them during our late struggle, let us look away to the future, which is sure to be laden for them with greater prosperity than has ever before been known. The removal of the monopoly of slave labor is a pledge that those regions will be peopled by a numerous and enterprising population, which will vie with any in the Union in compactness, inventive genius, wealth and industry.

Our government springs from and was made for the people—not the people for the government. To them it owes allegiance; from them it must derive its courage, strength and wisdom. But while the government is thus bound to defer to the people, from whom it derives its existence, it should, from the very consideration of its origin, be strong in its power of resistance to the establishment of inequalities. Monopolies, perpetuities and class legislation are contrary to the genius of free government, and ought not to be allowed. Here, there is no room for favored classes or monopolies; the principle of our government is that of equal laws and freedom of industry. Wherever monopoly attains a foothold, it is sure to be a source of danger, discord and trouble. We shall but fulfill our duties as legislators by according "equal and exact justice to all men," special privileges to none. The government is subordinate to the people; but, as the agent and representative of the people, it must be held superior to monopolies, which, in themselves, ought never to be granted, and which, where they exist, must be subordinate and yield to the government.

TRADE BETWEEN THE STATES.

The constitution confers on Congress the right to regulate commerce among the several States. It is of the first necessity, for the maintenance of the Union, that that commerce should be free and unobstructed. No State can be justified in any device to tax the transit of travel and commerce between States. The position of many States is such that, if they were allowed to take advantage of it for purposes of local revenue, the commerce between States might be injuriously burdened, or even virtually prohibited. It is best, while the country is still young, and while the tendency to dangerous monopolies of this kind is still feeble, to use the power of Congress so as to prevent any selfish impediment to the free circulation of men and merchandise. A tax on travel and merchandise, in their transit, constitutes one of the worst forms of monopoly, and the evil is increased if coupled with a denial of the choice of route. When the vast extent of our country is considered, it is plain that every obstacle to the free circulation of commerce between the States ought to be sternly guarded against by appropriate legislation, within the limits of the constitution.

DEPARTMENT OF THE INTERIOR.

The report of the Secretary of the Interior explains the condition of the public lands, the transactions of the Patent Office and the Pension Bureau, the management of our Indian affairs, the progress made in the construction of the Pacific Railroad, and furnishes information in reference to matters of local interest in the District of Columbia. It also presents evidence of the successful operation of the Homestead Act, under the provisions of which 1,160,533 acres of the public lands were entered during the last fiscal year—more than one-fourth of the whole number of acres sold or otherwise disposed of during that period. It is estimated that the receipts derived from this source are sufficient to cover the expenses incident to the survey and disposal of lands entered under this act, and that payments in cash to the extent of from forty to fifty per cent. will be made by settlers, who may thus at any time acquire title before the expiration of the period at which it would otherwise vest. The homestead policy was established only after long and earnest resistance; experience proves its wisdom. The lands, in the hands of industrious settlers, whose labor creates wealth and contributes to the public resources, are worth more to the United States than if they had been reserved as a solitude for future purchasers.

PENSIONS.

The lamentable events of the last four years, and the sacrifices made by the gallant men of our army and navy, have swelled the records of the Pension Bureau to an unprecedented extent. On the 30th day of June last, the total number of pensioners was 85,986, requiring for their annual pay, exclusive of expenses, the sum of $8,023,445. The number of applications that have been allowed since that date will require a large increase of this amount for the next fiscal year. The means for the payment of the stipends due, under existing laws, to our disabled soldiers and sailors, and to the families of such as have perished in the service of the country, will no doubt be cheerfully and promptly granted. A grateful people will not hesitate to sanction any measures having for their object the relief of soldiers mutilated and families made fatherless in the efforts to preserve our national existence.

THE POST-OFFICE DEPARTMENT.

The report of the Postmaster-General presents an encouraging exhibit of the operations of the Post-office Department during the year. The revenues of the past year from the loyal States alone exceed the maximum annual receipts from all the States previous to the rebellion, in the sum of $6,038,091; and the annual average increase of revenue during the last four years, compared with the revenues of the four years immediately preceding the rebellion, was $3,533,845. The revenues of the last fiscal year amounted to $14,556,158, and the expenditures to $13,694,728, leaving a surplus of receipts over expenditures of $861,430. Progress has been made in restoring the postal service in the Southern States. The views presented by the Postmaster-General against the policy of granting subsidies to ocean mail steamship lines upon established routes, and in favor of continuing the present system, which limits the compensation for ocean service to the postage earnings, are recommended to the careful consideration of Congress.

THE NAVY.

It appears, from the report of the Secretary of the Navy, that while, at the commencement of the present year, there were in commission 530 vessels of all classes and descriptions, armed with 3,000 guns and manned by 51,000 men, the number of vessels at present in commission is 117, with 830 guns and 12,128 men. By this prompt reduction of the naval forces the expenses of the government have been largely diminished, and a number of vessels, purchased for naval purposes from the merchant marine, have been returned to the peaceful pursuits of commerce. Since the suppression of active hostilities our foreign squadrons have been reëstablished, and consist of vessels much more efficient than those employed on similar service previous to the rebellion. The suggestion for the enlargement of the navy-yards, and especially for the establishment of one in fresh water for iron-clad vessels, is deserving of consideration, as is also the recommendation for a different location and more ample grounds for the Naval Academy.

DEPARTMENT OF WAR.

In the report of the Secretary of War, a general summary is given of the military campaigns of 1864 and 1865, ending in the suppression of armed resistance to the national authority in the insurgent States. The operations of the general administrative bureaus of the War Department during the past year are detailed, and an estimate made of the appropriations that will be required for military purposes in the fiscal year commencing the 30th day of June, 1866. The national military force, on the 1st of May, 1865, numbered 1,000,516 men. It is proposed to reduce the military establishment to a peace footing, comprehending 50,000 troops of all arms, organized so as to admit of an enlargement by filling up the ranks to 82,600, if the circumstances of the country should require an augmentation of the army. The volunteer force has already been reduced by the discharge from service of over 800,000 troops, and the department is proceeding rapidly in the work of further reduction. The war estimates are reduced from $516,240,131 to $33,814,461, which amount, in the opinion of the department, is adequate for a peace establishment. The measures of retrenchment in each bureau and branch of the service exhibit a diligent economy worthy of commendation. Reference is also made in the report to the necessity of providing for a uniform militia system, and to the propriety of making suitable provision for wounded and disabled officers and soldiers.

OUR REVENUE SYSTEM.

The revenue system of the country is a subject of vital interest to its honor and prosperity, and should command the earnest consideration of Congress. The Secretary of the Treasury will lay before you a full and detailed report of the receipts and disbursements of the last fiscal year of the first quarter of the present fiscal year, of the probable receipts and expenditures for the other three quarters, and the estimates for the year following the 30th of June, 1866. I might content myself with a reference to that report, in which you will find all the information required for your deliberations and decision. But the paramount importance of the subject so presses itself on my own mind, that I cannot but lay before you my views of the measures which are required for the good character, and, I might almost say, for the existence of this people. The life of a republic lies certainly in the energy, virtue and intelligence of its citizens; but it is equally true that a good revenue system is the life of an organized government. I meet you at a time when the nation has voluntarily burdened itself with a debt unprecedented in our annals. Vast as is its amount, it fades away into nothing when compared with the countless blessings that will be conferred upon our country and upon man by the preservation of the nation's life. Now, on the first occasion of the meeting of Congress since the return of peace, it is of the utmost importance to inaugurate a just policy, which shall at once be put in motion, and which shall commend itself to those who come after us for its continuance. We must aim at nothing less than the complete effacement of the financial evils that necessarily follow a state of civil war. We must endeavor to apply the earliest remedy to the deranged state of the currency, and not shrink from devising a policy which, without being oppressive to the people, shall immediately begin to effect a reduction of the debt, and, if persisted in, discharge it fully within a definitely fixed number of years.

THE NATIONAL CURRENCY.

It is our first duty to prepare in earnest for our recovery from the ever-increasing evils of an irredeemable currency, without a sudden revulsion, and yet without untimely procrastination. For that end we must, each in our respective positions, prepare the way. I hold it the duty of the Executive to insist upon frugality in the expenditures; and a sparing economy is itself a great national resource. Of the banks to which authority has been given to issue notes secured by bonds of the United States, we may require the greatest moderation and prudence, and the law must be rigidly enforced when its limits are exceeded. We may, each one of us, counsel our active and enterprising countrymen to be constantly on their guard, to liquidate debts contracted in a paper currency, and, by conducting business as nearly as possible on a system of cash payments or short credits, to hold themselves prepared to return to the standard of gold and silver. To aid our fellow-citizens in the prudent management of their monetary affairs, the duty devolves on us to diminish by law the amount of paper money now in circulation. Five years ago the bank-note circulation of the country amounted to not much more than two hundred millions; now the circulation, bank and national, exceeds seven hundred millions. The simple statement of the fact recommends more strongly than any words of mine could do, the necessity of our restraining this expansion. The gradual reduction of the currency is the only measure that can save the business of the country from disastrous calamities; and this can be almost imperceptibly accomplished by gradually funding the national circulation in securities that may be made redeemable at the pleasure of the government.

THE PUBLIC DEBT.

Our debt is doubly secure—first in the actual wealth and still greater undeveloped resources of the country; and next in the character of our institutions. The most intelligent observers among political economists have not failed to remark that the public debt of a country is safe in proportion as its people are free; that the debt of a republic is the safest of all. Our history confirms and establishes the theory, and is, I firmly believe, destined to give it a still more signal illustration. The secret of this superiority springs not merely from the fact that in a republic the national obligations are distributed more widely through countless numbers in all classes of society; it has its root in the character of our laws. Here all men contribute to the public welfare, and bear their fair share of the public burdens. During the war, under the impulses of patriotism, the men of the great body of the people, without regard to their own comparative want of wealth, thronged to our armies and filled our fleets of war, and held themselves ready to offer their lives for the public good. Now, in their turn, the property and income of the country should bear their just proportion of the burden of taxation, while in our impost system, through means of which increased vitality is incidentally imparted to all the industrial interests of the nation, the duties should be so adjusted as to fall most heavily on articles of luxury, leaving the necessaries of life as free from taxation as the absolute wants of the government, economically administered, will justify. No favored class should demand freedom from assessment, and the taxes should be so distributed as not to fall unduly on the poor, but rather on the accumulated wealth of the country. We should look at the national debt just as it is—not as a national blessing, but as a heavy burden on the industry of the country, to be discharged without unnecessary delay.

TREASURY AFFAIRS.

It is estimated by the Secretary of the Treasury that the expenditures for the fiscal year ending the 3th of June, 1866, will exceed the receipts $112,194,947. It is gratifying, however, to state that it is also estimated that the revenue for the year ending the 30th of June, 1867, will exceed the expenditures in the sum of $111,682,818. This amount, or so much as may be deemed sufficient for the purpose, may be applied to the reduction of the public debt, which, on the 31st day of October, 1865, was $2,740,854,750. Every reduction will diminish the total amount of interest to be paid, and so enlarge the means of still further reductions, until the whole shall be liquidated, and this, as will be seen from the estimates of the Secretary of the Treasury, may be accomplished by annual payments even within a period not exceeding thirty years. I have faith that we shall do all this within a reasonable time; that, as we have amazed the world by the suppression of a civil war which was thought to be beyond the control of any government, so we shall equally show the superiority of our institutions by the prompt and faithful discharge of our national obligations.

AGRICULTURE.

The Department of Agriculture, under its present direction, is accomplishing much in developing and utilizing the vast agricultural capabilities of the country, and for information respecting the details of its management reference is made to the annual report of the Commissioner.

GENERAL VIEW OF DOMESTIC AFFAIRS.

I have dwelt thus fully on our domestic affairs because of their transcendent importance. Under any circumstances, our great extent of territory and variety of climate, producing almost everything that is necessary for the wants, and even the comforts of man, make us singularly independent of the varying policy of foreign powers, and protect us against every temptation to "entangling alliances," while at the present moment the reëstablishment of harmony, and the strength that comes from harmony, will be our best security against "nations who feel power and forget right." For myself, it has been and it will be my constant aim to promote peace and amity with all foreign nations and powers; and I have every reason to believe that they all, without exception, are animated by the same disposition. Our relations with the Emperor of China, so recent in their origin, are most friendly. Our commerce with his dominions is receiving new developments, and it is very pleasing to find that the government of that great empire manifests satisfaction with our policy, and reposes just confidence in the fairness which marks our intercourse. The unbroken harmony between the United States and the Empire of Russia is receiving a new support from an enterprise designed to carry telegraphic lines across the continent of Asia, through his dominions, and so to connect us with all Europe by a new channel of intercourse. Our commerce with South America is about to receive encouragement by a direct line of mail steamships to the rising Empire of Brazil. The distinguished party of men of science who have recently left our country to make a scientific exploration of the natural history and rivers and mountain ranges of that region, have received from the Emperor that generous welcome which was to have been expected from his constant friendship for the United States, and his well-known zeal in promoting the advancement of knowledge. A hope is entertained that our commerce with the rich and populous countries that border the Mediterranean sea may be largely increased. Nothing will be wanting, on the part of this government, to extend the protection of our flag over the enterprise of our fellow-citizens. We receive from the Powers in that region assurances of good will; and it is worthy of note that a special envoy has brought us messages of condolence on the death of our late Chief Magistrate from the Bey of Tunis, whose rule includes the old dominions of Carthage, on the African coast.

GREAT BRITAIN AND HER DEPREDATIONS.

Our domestic contest, now happily ended, has left some traces in our relations with one at least of the great maritime Powers. The formal accordance of belligerent rights to the insurgent States was unprecedented, and has not been justified by the issue. But in the systems of neutrality pursued by the powers that made that concession, there was a marked difference. The materials of war for the insurgent States were furnished, in a great measure, from the workshops of Great Britain; and British ships, manned by British subjects, and prepared for receiving British armaments, sallied from the ports of Great Britain to make war on American commerce, under the shelter of a commission from the insurgent States. These ships, having once escaped from British ports, ever afterward entered them in every part of the world, to refit, and so to renew their depredations. The consequences of this conduct were most disastrous to the States then in rebellion, increasing their desolation and misery by the prolongation of our civil contest. It had, moreover, the effect, to a great extent, to drive the American flag from the sea, and to transfer much of our shipping and our commerce to the very Power whose subjects had created the necessity for such a change. These events took place before I was called to the administration of the government. The sincere desire for peace by which I am animated led me to approve the proposal, already made, to submit the questions which had thus arisen between the countries to arbitration. These questions are of such moment that they must have commanded the attention of the great Powers, and are so interwoven with the peace and interests of every one of them as to have insured an impartial decision. I regret to inform you that Great Britain declined the arbitrament, but, on the other hand, invited us to the formation of a joint commission to settle mutual claims between the two countries, from which those for the depredations before mentioned should be excluded. The proposition, in that very unsatisfactory form, has been declined.

The United States did not present the subject as an impeachment of the good faith of a Power which was professing the most friendly dispositions, but as involving questions of public law, of which the settlement is essential to the peace of nations; and, though pecuniary reparation to their injured citizens would have followed incidentally on a decision against Great Britain, such compensation was not their primary object. They had a higher motive, and it was in the interests of peace and justice to establish important principles of international law. The correspondence will be placed before you. The ground on which the British Minister rests his justification is substantially, that the municipal law of a nation, and the domestic interpretations of that law, are the measure of its duty as a neutral; and I feel bound to declare my opinion, before you and before the world, that that justification cannot be sustained before the tribunal of nations. At the same time I do not advise to any present attempt at redress by acts of legislation. For the future, friendship between the two countries must rest on the basis of mutual justice.

INFLUENCE OF DEMOCRATIC GOVERNMENT.

From the moment of the establishment of our free constitution, the civilized world has been convulsed by revolutions in the interest of democracy or of monarchy; but through all those revolutions the United States have wisely and firmly refused to become propagandists of republicanism. It is the only government suited to our condition; but we have never sought to impose it on others; and we have consistently followed the advice of WASHINGTON, to recommend it only by the careful preservation and prudent use of the blessing. During all the intervening period the policy of European Powers and of the United States has, on the whole, been harmonious. Twice, indeed, rumors of the invasion of some parts of America, in the interest of monarchy, have prevailed; twice my predecessors have had occasion to announce the views of this nation in respect to such interference. On both occasions the remonstrance of the United States was respected, from a deep conviction, on the part of European Governments, that the system of non-interference and mutual abstinence from propagandism was the true rule for the two hemispheres. Since those times we have advanced in wealth and power; but we retain the same purpose to leave the nations of Europe to choose their own dynasties and form their own systems of government. This consistent moderation may justly demand a corresponding moderation. We should regard it as a great calamity to ourselves, to the cause of good government, and to the peace of the world, should any European Power challenge the American people, as it were, to the defence of republicanism against foreign interference. We cannot foresee and are unwilling to consider what opportunities might present themselves, what combinations might offer to protect ourselves against designs inimical to our form of government. The United States desire to act in the future as they have ever acted heretofore; they never will be driven from that course but by the aggression of European Powers; and we rely on the wisdom and justice of those Powers to respect the system of non-interference which has so long been sanctioned by time, and which, by its good results, has approved itself to both continents.

FRANCE.

The correspondence between the United States and France, in reference to questions which have become subjects of discussion between the two governments, will, at a proper time, be laid before Congress.

NATURE AND DESTINY OF OUR GOVERNMENT.

When, on the organization of our government, under the constitution, the President of the United States delivered his inaugural address to the two Houses of Congress, he said to them, and through them to the country and to mankind, that "the preservation of the sacred fire of liberty and the destiny of the republican form of government are justly considered as deeply, perhaps as finally, staked on the experiment intrusted to the American people." And the House of Representatives answered WASHINGTON, by the voice of MADISON: "We adore the invisible hand which has led the American people, through so many difficulties, to cherish a conscious responsibility for the destiny of republican liberty." More than seventy-six years have glided away since these words were spoken; the United States have passed through severer trials than were foreseen; and now, at this new epoch in our existence as one nation, with our Union purified by sorrows, and strengthened by conflict, and established by the virtue of the people, the greatness of the occasion invites us once more to repeat, with solemnity, the pledges of our fathers to hold ourselves answerable before our fellow men for the success of the republican form of government. Experience has proved its sufficiency in peace and in war; it has vindicated its authority through dangers, and afflictions, and sudden and terrible emergencies, which would have crushed any system that had been less firmly fixed in the hearts of the people. At the inauguration of WASHINGTON the foreign relations of the country were few, and its trade was repressed by hostile regulations; now all the civilized nations of the globe welcome our commerce, and their governments profess toward us amity. Then our country felt its way hesitatingly along an untried path, with States so little bound together by rapid means of communication as to be hardly known to one another, and with historic traditions extending over very few years; now intercourse between the States is swift and intimate; the experience of centuries has been crowded into a few generations, and has created an intense, indestructible nationality. Then our jurisdiction did not reach beyond the inconvenient boundaries of the territory which had achieved independence; now, through cessions of lands, first colonized by Spain and France, the country has acquired a more complex character, and has for its natural limits the chain of Lakes, the Gulf of Mexico, and on the east and the west the two great oceans. Other nations were wasted by civil wars for ages before they could establish for themselves the necessary degree of unity; the latent conviction that our form of government is the best ever known to the world, has enabled us to emerge from civil war within four years, with a complete vindication of the constitutional authority of the General Government, and with our local liberties and State institutions unimpaired. The throngs of emigrants that crowd to our shores are witnesses of the confidence of all peoples in our permanence. Here is the great land of free labor, where industry is blessed with unexampled rewards, and the bread of the workingman is sweetened by the consciousness that the cause of the country "is his own cause, his own safety, his own dignity." Here every one enjoys the free use of his faculties and the choice of activity is a natural right. Here, under the combined influence of a fruitful soil, genial climes and happy institutions, population has increased fifteen-fold within a century. Here, through the easy development of boundless resources, wealth has increased with two-fold greater rapidity than numbers, so that we have become secure against the financial vicissitudes of other countries, and, alike in business and opinion, are self-centred and truly independent. Here more and more care is given to provide education for every one born on our soil. Here religion, released from political connection with the civil government, refuses to subserve the craft of statesmen, and becomes, in its independence, the spiritual life of the people. Here toleration is extended to every opinion, in the quiet certainty that truth needs only a fair field to secure the victory. Here the human mind goes forth unshackled in the pursuit of science, to collect stores of knowledge and acquire an ever-increasing mastery over the forces of nature. Here the national domain is offered and held in millions of separate freeholds, so that our fellow-citizens, beyond the occupants of any other part of the earth, constitute in reality a people. Here exists the democratic form of government; and that form of government, by the confession of European statesmen, "gives a power of which no other form is capable, because it incorporates every man with the State, and arouses everything that belongs to the soul."

Where, in past history, does a parallel exist to the public happiness which is within the reach of the people of the United States? Where, in any part of the globe, can institutions be found so suited to their habits or so entitled to their love as their own free constitution? Every one of them, then, in whatever part of the land he has his home, must wish its perpetuity. Who of them will not now acknowledge, in the words of WASHINGTON, that "every step by which the people of the United States have advanced to the character of an independent nation, seems to have been distinguished by some token of Providential agency?" Who will not join with me in the prayer, that the invisible hand which has led us through the clouds that gloomed around our path, will so guide us onward to a perfect restoration of fraternal affection, that we of this day may be able to transmit our great inheritance, of State Governments in all their rights, of the General Government in its whole constitutional vigor, to our posterity, and they to theirs through countless generations?

ANDREW JOHNSON.

WASHINGTON, Dec. 4, 1865.

HISTORY OF OUR ARMY.

REPORT OF THE SECRETARY OF WAR.

Interesting Details of the Raising and Equipping of Men—An Army of Nearly a Million Men in the Field—Rapid Disbandment After the War.

WAR DEPARTMENT,
WASHINGTON CITY, Nov. 22, 1865.

MR. PRESIDENT: The military appropriations by the last Congress amounted to the sum of five hundred and sixteen millions two hundred and forty thousand one hundred and thirty-one dollars and seventy cents, ($516,240,131 70.) The military estimates for the next fiscal year, after careful revision, amount to thirty-three millions eight hundred a fourteen thousand four hundred and sixty-one dollars and eighty-three cents, ($33,814,461 83.) The national military force on the 1st of May, 1865, numbered one million five hundred and sixteen men. It is proposed to reduce the military establishment to fifty thousand troops, and over eight hundred thousand have already been mustered out of service. What has occasioned this reduction of force and expenditure in the War Department, it is the purpose of this report to explain.

SITUATION IN DECEMBER, 1864.

At the commencement of the last session of Congress much had been accomplished toward suppressing the rebellion and restoring Federal authority over the insurgent States. But the rebels still held Richmond as the capital of their so-called Confederate Government, and the semblance of State government existed in Virginia, North Carolina, South Carolina, Georgia, Alabama, Florida, Mississippi and Texas, while a strong military force occupied a considerable portion of Arkansas and Louisiana. Their principal army, under its favorite commander, Gen. LEE, defended with undaunted front impregnable positions around Petersburgh and Richmond. Another army, under Gen. HOOD, was moving North, with purpose to invade Tennessee and Kentucky. West of the Mississippi, a large force, under Gen. KIRBY SMITH, threatened Arkansas, Kansas and Missouri. The chief seaports of the rebel States—Wilmington, Charleston, Savannah and Mobile—were strongly garrisoned and fortified, and our blockading squadrons were unable to prevent trade and supplies reaching the enemy. Pirate steamers, built in foreign ports for rebel cruisers, armed, manned, equipped and supplied by foreign capital, roamed the high seas, burning our ships and destroying our commerce. Marauders, hired by the rebel government and harbored on our Northern frontier, were setting on foot piratical expeditions against our commerce on the lakes, planning to burn and plunder our towns and cities, and were plotting murder against the President and Vice-President of the United States, in hopes of overthrowing our government by anarchy. Faith in their final success and hope of open recognition by foreign governments still animated leading traitors.

MILITARY OPERATIONS—NUMBER AND DISTRIBUTION OF FORCES.

But now the approaching session of Congress will find the authority of the Federal Government effectually and peacefully exercised over the whole territory of the United States. All the armies heretofore arrayed against the National Government have laid down their arms and surrendered as prisoners of war. Every hostile banner has been hauled down; the so-called Confederate Government is overthrown; its President is a prisoner in close custody, awaiting trial; while its Vice-president and three of its chief executive officers have been recently enlarged from prison by your clemency. All the ordinances, laws, organizations created or existing under or by virtue of the so-called Confederate Government, have been swept away, and, by your sanction, the people of the insurgent States have organized, or are busily engaged in organizing, State governments, in subordination to the federal authority. In harmony with this new condition of affairs, the military force of the Federal Government has been reduced, large armies disbanded, and nearly a million of brave men, lately soldiers in arms, paid and honorably mustered out of service, have gone from camps, garrisons and posts to their homes, and most of them are engaged already in the peaceful pursuits of civil life.

Among the causes which, under Divine Providence, have brought about these wonderful results, successful military operations stand first in order.

A clear comprehension of these operations requires a brief glance at the military position just before the Spring campaigns of 1864.

Notwithstanding the successful campaigns on the Mississippi, in 1863, by the reduction of Vicksburgh and Port Hudson, severed in twain the rebel territory and restored to us the navigation and commerce of the Mississippi, while the victory at Gettysburgh drove back the rebel invaders from the Northern States, yet the military strength of the rebels continued formidable. The Army of Virginia, under Gen. LEE, recovered from its disaster at Gettysburgh, its former lines in Virginia, protecting the rebel capital, and holding inactive and in check the Army of the Potomac. Another large army, under Gen. BRAGG, reinforced by LONGSTREET'S corps, threatened the reconquest of Tennessee. After the disastrous battle of Chickamauga, our Army of the Cumberland, shut up and surrounded at Chattanooga, unable to move by reason of the inclemency of the weather and impassable roads, was in extreme jeopardy.

At this discouraging juncture a change of military organization was made. The Departments of the Ohio, the Tennessee and the Cumberland, were united in one military division, called the Division of the Mississippi, under Major-Gen. GRANT. Command of the Army of the Cumberland was given to Major-Gen. GEORGE H. THOMAS, relieving Gen. ROSECRANS. A Winter campaign was immediately directed against BRAGG'S army. The battles of Wauhatchie, Lookout Mountain, Missionary Ridge and Chattanooga opened our communications, and routed BRAGG'S army with heavy loss. The movement of LONGSTREET'S corps against Knoxville, to recover East Tennessee, also proved a disastrous failure to the rebels, who were driven off and forced back to the mountains.

In the month of February, 1864, Gen. SHERMAN'S movement, with a large force from Vicksburgh into the interior of the State of Alabama, as far as Meridian, inflicted heavy loss upon the enemy by the destruction of railroads and supplies, the capture of prisoners, and the escape of negroes and refugees. This operation demonstrated the capacity of an invading army to penetrate the rebel States and support itself on the country, and was the forerunner of the great movements in Georgia.

The arrangements for the Spring campaigns of 1864 were made, on the part of the government, to put forth its strength. In all the bureaus of the War Department supplies were provided on a scale of great magnitude, to meet any exigency that could be foreseen. The estimates were based upon an army organization of one million of men. The States were called upon to strengthen the armies by volunteers; new drafts were ordered and put in execution throughout all the loyal States; vast supplies of arms, ammunition, clothing, subsistence, medical stores, and forage were provided and distributed in depots, to meet the wants of the troops wherever they might operate; horses, mules, wagons, railroad iron, locomotives and cars, bridge timber, telegraph cable and wire, and every material for transportation and communication of great armies under all conditions, were supplied. Congress, with unstinting hand, voted large appropriations for recruiting, paying, and supplying the troops. The office of Lieutenant-General, to command all the armies, was created by law. ULYSSES S. GRANT was appointed to that rank by the President, and assumed command, as Lieutenant-General, on the 17th day of March, 1864, from which time the operations of all the armies were under his direction.

The national forces engaged in the Spring campaign of 1864 were organized as armies or distributed in military departments as follows:

The Army of the Potomac, commanded by Major-Gen. MEADE, whose headquarters were on the north side of the Rapidan. This army was confronted by the rebel army of Northern Virginia, stationed on the south side of the Rapidan, under Gen. ROBERT E. LEE.

The Ninth Corps, under Major-Gen. BURNSIDE, was at the opening of the campaign, a distinct organization, but on the 24th of May, 1864, it was incorporated into the Army of the Potomac.

The Army of the James was commanded by Major-Gen. BUTLER, whose headquarters were at Fortress Monroe.

The headquarters of the Army of the Shenandoah, commanded by Major-Gen. SIGEL, were at Winchester.

Three armies were united under Major-Gen. WM. T. SHERMAN, viz.: The Army of the Cumberland, Major-Gen. THOMAS commanding; the Army of the Tennessee, Major-Gen. MCPHERSON commanding; and the Army of the Ohio, Major-Gen. SCHOFIELD commanding. Gen. SHERMAN'S headquarters were at Chattanooga. The effective strength of these three armies was nearly one hundred thousand men, and two hundred and fifty-four guns, to wit:

Army of the Cumberland, Major-Gen. THOMAS commanding:

Infantry	54,568	Cavalry	3,828
Artillery	2,377		
Total			60,773
Number of guns			130

Army of the Tennessee, Major-Gen. MCPHERSON commanding:

Infantry	22,437	Cavalry	624
Artillery	1,404		
Total			24,465
Number of guns			96

Army of the Ohio, Major-Gen. SCHOFIELD commanding:

Infantry	11,183	Cavalry	1,697
Artillery	679		
Total			13,559
Number of guns			28
Grand aggregate number of troops			98,797
Grand aggregate number of guns			254

About these figures were maintained during the campaign; the number of men joining from furlough and hospitals compensating for the loss in battle and from sickness.

In the department of Kentucky there was likewise a large active force, under command of Major-Gen. Burbridge, and also in East Tennessee, under Major-Gen. Stoneman. Adequate forces were reserved in the Department of Washington, under Major-Gen. Augur, to protect the capital and the immense depots of supplies at Washington and Alexandria, and also in the military department under Major-Gen. Lewis Wallace, to cover Baltimore and the important lines of supply and communication in that department. Besides the armies operating actively in the field, troops were assigned to garrison exposed and important strategic points, to guard hospitals, recruiting-stations, prison-camps, supply-depots, railroad lines, and to defend the Border States and the northern frontier from rebel raids.

In the Department of the South a force was operating against Charleston and in Florida, under Gen. Gillmore.

West of the Mississippi the forces were under the respective departmental commanders. In the Department of the Gulf, embracing Louisiana and Texas, Major-Gen. Banks had his headquarters at New-Orleans. The Department of Arkansas was in command of Major-Gen. Steele. Major-Gen. Curtis commanded the troops assigned for the Department of Kansas and the Indian Territory. The troops in the Department of Missouri were under command of Major-Gen. Rosecrans. The defence of the northwestern States and Territories against Indians, expeditions to check incursions and reduce hostile tribes, and to protect the overland route to California, employed a considerable force under Major-Gen. Pope, in the Northwest Department, Gen. Carleton in New-Mexico and Arizona, and Gen. Connor in the Indian Territory. The States and Territories on the Pacific coast required but a small force, under Major-Gen. McDowell.

The headquarters of the Lieutenant-General commanding all the armies were with the Army of the Potomac in the field.

Official reports show that on the 1st of May, 1864, the aggregate national military force of all arms, officers and men, was nine hundred and seventy thousand seven hundred and ten, to wit:

Available force present for duty	662,345
On detached service in the different military departments	109,348
In field hospitals, or unfit for duty	41,266
In general hospitals, or on sick leave at home	75,978
Absent on furlough, or as prisoners of war	66,290
Absent without leave	15,483
Grand aggregate	970,710

The aggregate available force present for duty May 1, 1864, was distributed in the different commands as follows:

Department of Washington	42,124
Army of the Potomac	120,380
Department of Virginia and North Carolina	59,139
Department of the South	18,165
Department of the Gulf	61,866
Department of Arkansas	23,666
Department of the Tennessee	74,174
Department of the Missouri	15,770
Department of the Northwest	5,295
Department of Kansas	4,798
Headquarters Military Division of the Mississippi	476
Department of the Cumberland	119,948
Department of the Ohio	35,416
Northern Department	9,546
Department of West Virginia	30,782
Department of the East	2,828
Department of the Susquehanna	2,970
Middle Department	5,627
Ninth Army Corps	20,780
Department of New-Mexico	3,454
Department of the Pacific	5,141
Total	662,345

[The report rapidly reviews the operations of these several armies, but the story is told more minutely in the report of Lieut.-Gen. Grant.—Ed. Times.]

FORCES ON THE FIRST OF MARCH LAST.

At the commencement of the year 1865, all hearts were more anxious than ever to bring the war to a speedy close. Every preparation to that end was made by the department, and by the military commanders in the field. Adequate appropriations were voted and new popular loans authorized by Congress. Further measures for recruiting the army, prompted by experience, were enacted. A new draft for half a million of men was put into prompt execution. The State Executives renewed their labors in calling for volunteers. The people responded to the demands of the occasion, and rapid recruitment began in all the States, and was at its height when Richmond fell. Troops were at that time being raised, organized, armed and equipped as fast as they could be conveniently transported to the field. To the coming campaigns through the Carolinas and in Virginia, all eyes looked for a speedy and decisive result that should end the war.

Official reports show that on the 1st of March, 1865, the aggregate national military force of all arms, officers and men, was nine hundred and sixty-five thousand five hundred and ninety-one, to wit:

Available force present for duty	602,598
On detached service in the different military departments	132,538
In field hospitals or unfit for duty	35,628
In general hospitals or on sick leave at home	143,419
Absent on furlough or as prisoners of war	31,695
Absent without leave	19,683
Grand aggregate	965,591

This force was augmented on the first of May, 1865, by enlistments to the number of one million five hundred and sixteen of all arms, officers and men, (1,000,516.)

The aggregate available force present for duty on the 1st of March was distributed in the different commands as follows:

Army of the Potomac	103,273
Headquarters Military Division of the Mississippi	17
Department of the Cumberland	62,626
Department of the Tennessee	45,649
Left wing Army of Georgia	31,644
Cavalry Corps Military Divisions of the Mississippi	27,410
Headquarters Military Division of West Mississippi	24
Reserve Brigades Military Division of West Mississippi	13,748
Department of the Gulf	35,625
Department of Arkansas	24,509
Department of the Mississippi	24,151
Sixteenth Army Corps	14,395
Headquarters Military Division of the Missouri	12
Department of the Missouri	18,557
Department of the Northwest	4,731
Headquarters Middle Military Division	841
Cavalry forces Middle Military Division	12,980
Nineteenth Army Corps	6,612
Middle Department	2,089
Department of Washington	26,056
Department of West Virginia	15,517
Department of Pennsylvania	820
Department of the East	7,462
Department of Virginia	45,986
Department of North Carolina	34,945
Department of the South	11,510
Department of Kentucky	10,655
Northern Department	11,229
Department of the Pacific	7,024
Department of New-Mexico	2,501
Grand total	602,598

FINISHING UP.

The month of March, 1865, opened the great campaign against Richmond and the army that had so long defended the rebel capital.

Instructions were given by the Lieutenant-General on the 24th of March for a general movement of the national forces around Richmond. It commenced on the morning of the 29th of March. Ten days' marching and fighting finished the campaign. Richmond, Petersburgh, the Army of Virginia, and its commander, were captured. Jefferson Davis and his so-called Confederate Government were fugitives or prisoners of war. Davis fled from Richmond in the afternoon of Sunday, the 2d day of April. The national forces occupied Petersburgh and entered Richmond Monday morning. Lee's army was pursued until it reached Appomattox Court-house, where, on Sunday, the 9th day of April, it laid down its arms on the terms prescribed by Gen. Grant.

From this period the history of the war is but an enumeration of successive surrenders by rebel commanders. On the 26th day of April Gen. Johnston surrendered his command to Maj.-Gen. Sherman, at Raleigh, N. C. Gen. Howell Cobb, with twelve hundred militia and five Generals, surrendered to Gen. Wilson, at Macon, Ga., on the 20th of April. Gen. Dick Taylor, on the 14th of May, surrendered all the remaining rebel forces east of the Mississippi to Gen. Canby. On the 11th of May Jefferson Davis, disguised and in flight, was captured at Irwinsville, Ga. On the 26th of May Gen. Kirby Smith surrendered his entire command, west of the Mississippi, to Maj.-Gen. Canby. With this surrender the organized rebel force disappeared from the territory of the United States.

The flag of the United States was lowered at Fort Sumter on the 14th of April, 1861, by Maj. Anderson, who, long besieged by overwhelming rebel forces, was compelled, with his small garrison, to evacuate the works. On the anniversary of that day, four years later, the rebel forces having been driven from Charleston, the national banner was planted again upon Fort Sumter, under the orders of the President, by the hands of Gen. Anderson, with appropriate military and naval ceremonies, and a commemorative address delivered by Rev. Henry Ward Beecher.

Their victorious campaigns ended, the Armies of the Tennessee and the Cumberland and the Army of the Potomac marched through Richmond to the Federal capital, where they were reviewed by the President and the distinguished commanders under whom they had so long and so gallantly served in the field. After this national ceremony they and their fellow-soldiers in other commands were paid, and, as rapidly as the condition of affairs would admit, were released from the military service of the country; and, returning to their homes in the several States, they were welcomed with the thanks and rejoicings of a grateful people.

THE MURDER OF THE PRESIDENT.

One other event may properly be noticed in this report, as a part of the military history of the rebellion. While our armies, by their gallantry and courage and the skill of their commanders, were overcoming all resistance in the field to the national authority, a swift and sudden blow was aimed at the national existence and at the life of the Commander-in-Chief of the army and navy, which, for atrocity in its circumstances, the cruel art that designed it, and the peril to which it exposed the government, is unsurpassed in the history of nations. Shortly before the Richmond campaign opened, President Lincoln went to the headquarters of Lieut.-Gen. Grant at City Point, where he remained until the capture of Petersburgh and Richmond. After their occupation by our forces, he visited those cities, and returned to Washington on the evening of Sunday, the 9th of April. The dispatch of the Lieutenant-General, announcing Gen. Lee's surrender, was communicated to him about 11 o'clock Sunday night. From that time until he was assassinated his attention was earnestly directed to the restoration of peace and reorganization of civil government in the insurgent States. In a public address to an assemblage that met at the Executive Mansion on the evening of Wednesday, the 12th of April, to congratulate him on the success of our arms, his views and some of his measures were explained. On the night of the following Friday the President was shot by an assassin, and expired at about 7 o'clock on the morning of Saturday, the 15th of April. This assassination appeared to be part of a deliberate, comprehensive conspiracy to assassinate the President, Vice-President, Secretary of State, Lieutenant-General, and other officers of the government, with a view to its disorganization. About the same hour of the President's murder, an effort was made to assassinate the Secretary of State, who was then confined to his bed by serious injuries, accidentally received a few days before. He and other members of his family were dangerously wounded. Some of the parties engaged in this conspiracy were tried, convicted and executed; others are still under sentence of imprisonment for life. The details are given in the report of the Judge-Advocate-General. The designs upon the Vice-President and the Lieutenant-General failed; and upon the death of the President, the Vice-President was sworn into office, and assumed the duties of President of the United States. These events were promptly communicated to the armies by general orders, and from thenceforth until the present time the government has been administered by Andrew Johnson as Chief Executive and Commander-in-Chief of the army and navy.

RESTORATION OF CIVIL GOVERNMENT.

The destruction of the rebel military power opened the way to reëstablish civil government in the insurgent States. From that period the functions of the military department became simply coöperative with other branches of the Federal government.

Nashville, Tenn., was the first capital of an insurgent State in which the Federal authority was reëstablished. The rebel army was driven out on the 23d day of February, 1862, and that city occupied by the Union forces. On the 3d day of March, 1862, Andrew Johnson, then Senator in Congress from the State of Tennessee—the only Senator from an insurgent State who retained his seat in Congress—was appointed Military Governor of the State of Tennessee. He accepted the appointment, and promptly entered upon his duties, and continued to exercise them until his resignation on the 3d day of March, 1865. In all the vicissitudes of the war his administration was directed to the establishment and maintenance of the Constitution and laws of the United States within and over the State of Tennessee. Without entering upon details, it is sufficient to remark that extension of civil authority kept pace with the reduction of rebel power. The Federal courts were opened, and justice administered. Under his direction, against many discouragements and much opposition, great advance was made toward the full establishment of civil authority, and the restoration of the State to its practical relations to the Federal Government. He issued a proclamation on the 6th of January, 1864, for the election of township and county officers, justices of the peace, constables, trustees, sheriffs, clerks, registers, and tax-collectors. In the month of May a convention was held at Knoxville, East Tennessee, to devise measures for restoring civil government in the State. In the month of August another convention was called to meet at Nashville on the 5th of September, to reorganize the State. A full convention being prevented by the condition of military affairs, this body recommended that another convention, "elected by the loyal people," should assemble at an early day to revise the State Constitution. The Governor issued a proclamation on the 7th of September, announcing that he should proceed to appoint officers and establish tribunals "in all the counties and districts of the State, whenever the people gave evidence of loyalty and a desire for civil government, and a willingness to sustain the officers and tribunals." A convention was called to meet on the 9th of January, 1865, at Nashville, to revise the State Constitution. This convention met; amendments to the State Constitution were adopted, slavery was abolished, and provision made for submitting the amendments to the people, and for holding elections. The amendments were ratified by popular vote. A Governor, Legislature and members of Congress were subsequently (on the 4th of March) elected by the people. The Legislature assembled on the first Monday of April; the abolition of slavery was enacted, Senators to Congress elected, and a State Government was fully organized, and has since continued in action. This system of reorganization having been found practicable by actual experience, it was adopted by the President, with such modifications as he deemed proper, for all the insurgent States, and is now in course of execution.

REDUCTION OF THE ARMY.

The disposition exhibited, after the surrender of their armies in all the insurgent States, to submit to the national authority, dispensed with the necessity of keeping large armies on foot, and indicated the degree to which the war power might be reduced. So much only of the national military force has been kept in each State as is needed to keep the peace, protect the public property and enforce the laws.

It was apparent that, by the surrender of Gen. Lee and his army, the military power, on which alone the rebellion rested, was irretrievably broken, no doubt being entertained that Lee's surrender would be followed by that of Johnston, and perhaps by all other commanders of the insurgent forces. The attention of the department was immediately directed to the following objects, and, on the 13th of April, four days after Lee's surrender, public notice was given that orders would be speedily issued to carry them into effect, viz.:

First—To stop all drafting and recruiting in the loyal States.

Second—To curtail purchases of arms, ammunition, quartermaster and commissary supplies, and reduce the expenses of the military establishment in the several branches.

Third—To reduce the number of general and staff officers to the actual necessities of the service.

Fourth—To remove all military restrictions upon trade and commerce, so far as might be consistent with the public safety.

These measures have been carried into effect from time to time, as the exigencies of the service would admit. It will be seen from the report of the Adjutant-General that troops to the number of 800,963 have already been mustered, paid off and disbanded. Further reduction is contemplated. Upon the discharge of troops the services of a great number of staff, field, and general officers were no longer required. Of these some have resigned, and others were honorably mustered out. No doubt, in many instances, it has been painful for gallant and accomplished officers to leave that service to which they have been accustomed, and where they have won honorable distinction. But it is to the credit of the volunteer service that they have recognized the obligation of the government to reduce the military establishment with the occasion that called it into existence, and that their own wishes or interest have not been importunately urged against the necessities of the service.

The disposition of the Veteran Reserve Corps presented some considerations of peculiar nature. It was the inclination of the department to retain it in service until the meeting of Congress. But inquiry showed that a very small per cent. of enlisted men were content to remain in service. All who desired have, therefore, been discharged, and supernumerary officers mustered out.

Recruiting to fill the regular regiments has continued. Several thousand applications for commissions in the regular service are on file. These commissions, hitherto, have been conferred only by promotion from the ranks. But to secure the requisite number of competent officers, a board has been appointed to examine applicants, and determine their relative merit. From the list selected by the board, and in the order of merit, appointments are to be made. Two years' actual service in the war is indispensable for appointment.

MILITIA—CARE FOR DISABLED SOLDIERS.

The establishment of a well-organized militia system is one of the most important subjects that will demand the attention of Congress. This subject has already received careful consideration, and it is believed that, after conference with the appropriate committees, a practical system may be agreed upon.

Measures for the establishment of homes, and some provisions for the aid and relief of wounded and disabled soldiers, is also a subject that will commend itself strongly to every patriotic heart. Whether this duty, which the country owes to patriots who have suffered in the national defence, can best be performed by the National Government or administered by the respective State authorities, and whether relief can best be afforded by an increase of pension, or by establishing homes, are points on which opinions differ, and which can only be settled by the wisdom of Congress.

WEST POINT ACADEMY.

The Board of Visitors to the Military Academy at West Point, in June last, made an elaborate report, which is herewith submitted. They recommend a reorganization, and a number of measures which, in their opinion, will enhance the benefits of that national institution. To these the attention of Congress is respectfully invited, with the recommendation that the number of cadets be increased, as recommended, and that the superintendence of the institution be no longer confined to the Engineer Bureau. It is believed that the Military Academy is at present well conducted, and that their responsible duties are efficiently performed by the officers, professors and instructors charged with the institution.

EXPENSES—IMMENSE REDUCTION.

The war appropriations at the last session of Congress, as has been stated, amounted to the sum of $516,240,131 70. The estimates for the next fiscal year, commencing June 30, 1865, are $33,814,461 83.

These estimates are based upon a standing force of fifty thousand men, so organized as to admit of an increase, without additional organizations, to 82,600 troops of all arms.

This estimate has been made after conference and careful consideration, and is believed to be adequate for any national exigency, if the country should be blessed with peace. The reduction of the national military force, in its rapidity and numbers, is without example, and if there be any alarm in the public mind because this reduction is made while grave questions at home and abroad are unsettled, a brief consideration of the subject will show that there is no cause for apprehension.

OUR MILITARY STATUS.

The force to be retained is small compared with that which was organized to subdue the rebellion. But the only reasons demanding greater force are: First, renewal of the insurrection; second, a foreign war. For either or both emergencies the national resources remain ample. The chief demands for war, as shown by our experience, are: First, troops; second, arms and ammunition; third, clothing; fourth, transportation; and fifth, subsistence supplies.

The troops disbanded were chiefly volunteers, who went to the field to uphold the system of free government established by their fathers, and which they mean to bequeath to their children. Their toils and sufferings, their marches, battles and victories have not diminished the value of that government to them; so that any new rebellion would encounter equal or greater force for its reduction; and none can ever spring up with such advantages at the start, or be conducted with superior means, ability or prospect of success. A foreign war would intensify the national feeling, and thousands, once misled, would rejoice to atone their error by rallying to the national flag. The question of *time* in which armies could be raised to repel invasion is, therefore, the only question relating to troops. Our experience in this point is significant. When Lee's army surrendered, thousands of recruits were pouring in, and men were discharged from recruiting stations and rendezvous in every State. On several occasions, when troops were promptly needed to avert impending disaster, vigorous exertion brought them into the field from remote States with incredible speed. Official reports show that after the disasters on the Peninsula in 1862, over eighty thousand troops were enlisted, organized, armed, equipped and sent to the field in less than a month. Sixty thousand troops have repeatedly gone to the field within four weeks. And ninety thousand infantry were sent to the armies from the five States of Ohio, Indiana, Illinois, Iowa and Wisconsin within twenty days.

When the rebellion commenced, the nation was a stranger to war. Officers had little experience, privates had none. But the present generation of men in this country are now veteran soldiers. For the battle, the march, or the siege, they are already trained. They are as much at home in the tented field as in the farm-house, the manufactory, or the shop. No time is required to train them; and the speed of the railroad and telegraph determines the time required to raise an army in the United States.

Second—As to arms and ammunition. The disbanded armies were allowed to take home their arms at a nominal price. Rust is not likely to gather on the musket or sabre borne through the campaigns of 1864 and 1865. The government retains in its arsenals more than a million of the best quality of arms and [illegible] ment for its means of storage. The manufacture of ammunition requires materials for which we have in some degree relied upon other countries, because they could be had cheaper. For this reason, and to guard against mischance, three years' stock of material for ammunition has already been kept in store, and the supply on hand is ample for any war that can be waged against us by any nation.

Third—Clothing, transportation, and subsistence. After selling or distributing among freedmen and refugees all damaged or irregular clothing, the stock of clothing and material in the Quartermaster's depots is sufficient for any armies that may be called into service. The water transports and rolling stock, mules, wagons and horses held by the government were adequate to the movement and supply of larger forces, in less time, than had heretofore been known in war. The government has disposed or is disposing of this transportation, but it remains in this country, and can answer any exigency.

Army subsistence is derived from the country in which military operations are carried on, or supplied from other markets. During the war this most vital branch of the service never failed. It answers to the demand, and is ever ready to meet the national call.

It is plain, therefore, that the abundance of our means for war enables the Government of the United States to reduce the standing force to a lower degree than any other nation. Unless war be actually raging, the military force can be brought within very narrow limits. However sudden the exigency calling for an exhibition of military power, it can be promptly met. With our education, habits and experience, the nation, while in the midst of peace, is prepared for war.

THE NEW MILITARY DEPARTMENTS.

The present military organization comprehends nineteen departments, embraced in five military divisions, as follows:

1. The Department of the East, Major-Gen. Joseph Hooker to command, to embrace the New-England States, New-York and New-Jersey. Headquarters at New-York City.

2. The Middle Department, Major-Gen. W. S. Hancock to command, to embrace the States of West Virginia, Maryland, (excepting the Counties of Montgomery, that part of Anne Arundel lying south of the Annapolis and Elk Ridge Railroad, and excluding the City of Annapolis, Prince George's, Calvert, Charles and St. Mary's,) the County of Loudon and the Shenandoah Valley as far South and including Rockingham County, in Virginia, the States of Delaware and Pennsylvania. Headquarters at Baltimore.

3. The Department of Washington, Major-Gen. C. C. Augur to command, to embrace the District of Columbia, the Counties of Montgomery, that part of Anne Arundel lying south of the Annapolis and Elk Ridge Railroad, and including the City of Annapolis, Prince George's, Calvert, Charles and St. Mary's, in Maryland, and Alexandria and Fairfax Counties, in Virginia. Headquarters at Washington.

4. The Department of the Ohio, Major-Gen. E. O. C. Ord to command, to embrace the States of Ohio, Indiana, Illinois, Wisconsin and Michigan. Headquarters at Detroit.

5. The Department of the Tennessee, Major-Gen. George Stoneman to command, to embrace the State of Tennessee. Headquarters at Knoxville.

6. The Department of Kentucky, Major-Gen. John M. Palmer, to command, to embrace the State of Kentucky, and Jeffersonville and New-Albany, in Indiana. Headquarters at Louisville.

The Department of the Missouri, Major-Gen. John Pope to command, to embrace the States of Minnesota, Iowa, Missouri and Kansas, and the Territories of Colorado, Utah, Nebraska, Dakota, New-Mexico and Montana. Headquarters at St. Louis.

8. The Department of Virginia, Major-Gen. Alfred H. Terry to command, to embrace the State of Virginia, excepting Alexandria, Fairfax and Loudon Counties, and the Shenandoah Valley as far south as and including Rockingham County. Headquarters at Richmond.

9. The Department of North Carolina, Major-Gen. J. M. Schofield to command, to embrace the State of North Carolina. Headquarters at Raleigh.

10. The Department of South Carolina, Major-Gen. Daniel Sickles to command, to embrace the State of South Carolina. Headquarters at Charleston.

11. The Department of Georgia, Major-Gen. James B. Steedman to command, to embrace the State of Georgia. Headquarters at Augusta.

12. The Department of Florida, Major-Gen. John G. Foster to command, to embrace the State of Florida. Headquarters at Tallahassee.

13. The Department of Mississippi, Major-Gen. Thomas J. Wood to command, to embrace the State of Mississippi. Headquarters at Vicksburg.

14. The Department of Alabama, Major-Gen. C. R. Wood to command, to embrace the State of Alabama. Headquarters at Mobile.

15. The Department of Louisiana, Major-Gen. E. R. S. Canby to command, to embrace the State of Louisiana. Headquarters at New-Orleans.

16. The Department of Texas, Major-Gen. H. G. Wright to command, to embrace the State of Texas. Headquarters at Galveston.

17. The Department of Arkansas, Maj.-Gen. J. J. Reynolds to command, to embrace the State of Arkansas and the Indian Territory. Headquarters at Little Rock.

18. The Department of the Columbia, Brig.-Gen. F. Steele to command, to embrace the State of Oregon, and Territories of Washington and Idaho. Headquarters at Fort Vancouver.

19. The Department of California, Maj.-Gen. Irvin McDowell to command, to embrace the States of California and Nevada and Territories of New-Mexico and Arizona. Headquarters at San Francisco.

1. The Military Division of the Atlantic, Maj.-Gen. George G. Meade to command, o embrace the Department of the East, Middle Department, Department of Virginia, Department of North Carolina and Department of South Carolina. Headquarters at Philadelphia.

2. The Military Division of the Mississippi, Maj.-Gen. W. T. Sherman to command, to embrace the Department of the Ohio, Department of the Missouri and Department of Arkansas. Headquarters at St. Louis.

3. The Military Division of the Gulf, Maj.-Gen. P. H. Sheridan to command, to embrace the Department of Louisiana, Department of Texas, and Department of Florida. Headquarters at New-Orleans.

4. The Military Division of the Tennessee, Maj.-Gen. G. H. Thomas to command, o embrace the Department of the Tennessee, Department of Kentucky, Department of Georgia, Department of Mississippi, and Department of Alabama. Headquarters at Nashville.

5. The Military Division of the Pacific, Maj.-Gen. Halleck to command, to embrace the Department of the Columbia and Department of California. Headquarters at San Francisco.

INDIAN WARS.

Indian hostilities upon the plains and the overland routes to the Pacific coast have given much annoyance, required the employment of many troops, and occasioned great expense to the Military Department. Several Indian councils have been held during the past season, and large military expeditions sent out against hostile tribes and bands. What has been accomplished by treaty or by fighting will doubtless be exhibited in the official reports of the Indian campaigns, which have not yet reached the department.

Disbanding the troops reduces at once the amount to be extended in some items of appropriation, but in others requires larger immediate expenditures. Upon their discharge the soldiers became entitled to all their instalments of bounty which would have fallen due at later periods, and in many cases exceeding a year's pay. The transportation of large armies from the field, in Southern States, to their remote homes in the West, or in Eastern and Northern States, made extraordinary drafts on the Quartermaster's Department, beyond what would be required for armies marching or encamped. The vast amount of live stock on hand requires forage until sales can be made. These are effected with the utmost diligence; but still this large item of expenditure continues through a large part of the fiscal year. The financial effects, therefore, of the reduction of the army and retrenchment of expenditures can only operate to any great extent on the next fiscal year.

ADJUTANT-GENERAL'S REPORT.

From the report of the Adjutant-General, it will be seen that the recruiting service of the regular army is progressing favorably; the number of recruits enlisted for all arms, from Oct. 31, 1864, to Oct. 1, 1865, having been 19,555. The regiments comprising it have been distributed to stations, and their ranks are rapidly filling up, thus enabling the department to relieve regiments of volunteer troops. The present authorized strength of the regular regiments is 952 officers and 41,819 enlisted men. This estimate is made on the basis of 42 privates to a company, the number now allowed by law at all except frontier posts.

It is recommended in the report that the maximum standard be fixed at 100 enlisted men to a company.

The Adjutant-General recommends that provisions be made by law for enlisting one hundred boys, not under twelve years of age, as musicians, as was done before the laws of 1864 and 1865 prohibited the enlistment of minors under the age of sixteen years; that the laws by which one-half of their pay, during the period of absence, is lost by officers absent with leave for more than thirty days in one year, except from wounds or sickness, be repealed; and that an act be passed providing for the enlistment of meritorious disabled soldiers as superintendents of the national cemeteries, numbering about forty, each to receive the pay and allowance of an ordnance sergeant.

Eight volumes of reports of battles, with maps and indexes, prepared under the resolution of Congress of May, 19, 1864, have been completed and sent to the goverment printing-office. The publication of the greater part of the remaining reports is only deferred until the receipt of others not yet rendered, and which are required to preserve the chronological order observed in the preparation of the volumes already completed. The register of volunteer officers called for by resolution of June 30, 1864, and embracing some 200,000 names, will be completed by the time Congress assembles.

The aggregate of volunteers, drafted men, and substitutes ordered to the field between the 1st of November, 1864, and 30th of April, 1865, was 202,117. The number of volunteers, drafted men, and militia mustered out and discharged within the same period was 61,000. In disbanding the forces no longer required after the cessation of hostilities, the same machinery of mustering officers and depots has been used as in recruiting. Regiments have been sent home as fast as they could be transported and paid, the officers being held responsible for the good behavior of the men. Instances have been rare of any disorders. Much credit is due to mustering officers, paymasters and railroad companies, through whose efforts troops, numbering in the aggregate 800,963 men, have been transported, mustered out and paid.

On the 28th of April, 1865, it was ordered that returns be made of the volunteer forces in the field, with a view to their immediate reduction, and in connection with this order, regulations were prepared and promulgated for their muster out and discharge. In executing this work, promptness and a proper protection of the interests of the government and the troops were held in view; and among other measures necessary to its completion, rendezvous were established in the field, as well as in most of the States. At the field rendezvous all surplus property was taken possession of by the staff officers of the respective supply departments, and the muster-out rolls and other discharge papers prepared under the direction of corps commissaries of musters and their assistants. Corps and department commanders were instructed to see that the work was pushed with energy, using for that end the division and brigade commanders, with their respective staff officers to superintend it. As soon as a regiment or other organization had its muster-out papers prepared, it was placed en route to its State for payment and final discharge. At the State rendezvous was located the chief mustering officer of the State, or one or more of his assistants, with paymasters, quartermasters, commissaries of subsistence and ordnance officers, whose duties were with the payment and final discharge of the troops; their care whilst awaiting the same; the reception of the public property turned in by them, and their transportation to their homes after discharge.

By the foregoing arrangements the entire force of commissaries and assistant commissaries of musters for troops in the field have been made available for the work, in connection with the chief and other State mustering officers. The most experienced mustering officers and those most familiar with the regimental records were secured; the records from which the mustering out data was to be obtained were readily accessible, and the loss of records, (so common through the neglect of regimental officers,) whilst the regiments were *en route* from the field to their States, was avoided. Regimental officers have been held to a rigid accountability in preparing the records, and the interests of the enlisted men thus protected. Order and discipline has been maintained whilst the troops were *en route* to the States and after arrival therein. Troops have been comfortably cared for up to the moment they were paid off and ready to start for their homes. Dissatisfaction among them has been obviated and causes for complaint removed, and all public property has been easily secured and readily accounted for.

The rapidity with which the work of mustering out has been executed will be apparent from the fact that to Aug. 7, 640,806 troops had been mustered out; Aug. 22, 719,338; Sept. 14, 741,107; Oct. 15, 785,205; Nov. 15, 800,963.

The command of Major-Gen. Sherman (Army of the Tennessee and Army of Georgia) and the Army of the Potomac were first to complete their musters-out entirely. Regiments commenced leaving Gen. Sherman's command, then numbering, present and absent, 116,183 officers and men, from the rendezvous, near Washington, on the 29th of May, and on the 1st of August the last one of the regiments mustered out left Louisville, Ky., to which point the command, (after the musters-out therefrom were partly completed,) was transferred, and the armies composing it merged into one, called the Army of the Tennessee. The work of mustering out the troops was not continuous, it having been interrupted and delayed by the transfer of the two armies from this city to Louisville, and their subsequent consolidation.

Regiments commenced leaving the Army of the Potomac (when numbering, including the Ninth Corps, 162,851 officers and men, present and absent) from the rendezvous near this city on the 29th of May, and about six weeks thereafter (July 19) the last regiment started for home. During the interval the work, like that from Gen. Sherman's command, was not continuous, it being interrupted and delayed by the movement of the Sixth Corps from Danville, Va., to Washington, and the consolidation, by orders of June 28, of the remaining portion of the army into a provisional corps, numbering, present and absent, 22,699 officers and men.

Thus, for the two commands in question, and between the 29th of May and the 1st of August, (two months,) 279,034 officers and men, present and absent, were mustered out and placed en route to their homes. Including other armies and departments, the number was increased by Aug. 7 (two months and seven days) to 640,806 officers and men.

From the foregoing it will be seen that the mass of the forces discharged were mustered out by Sept. 14, or within two and a half months from the time the movements of troops homeward commenced. The per average month during that time is 296,442.

COLORED TROOPS.

By reference to the report of the officer in charge of the bureau for the organization of colored troops, it will be seen that the increase in the number of these troops since his last annual report is 49,509, of which 4,244 were recruited in the States in rebellion and credited to the loyal States, under the provisions of the act of July 4, 1864. The whole number of colored men enlisted into the service of the United States during the rebellion was 178,975. The largest number in service was on the 15th of July, 1865, viz.: 123,156. The loss during the war from all causes, except muster out, was 68,178. There have been 33,234 colored troops mustered out. The number remaining in service after existing orders for muster out shall have been executed will be 85,024. The number of applicants for commissions in colored troops amounted to 9,019, of which 3,790 were examined. Of this number 1,472 were rejected, and 2,318 received appointments. The number of soldiers discharged from regiments, etc., of white troops to accept appointments in organizations of colored troops, was 1,767. It is ascertained, from the reports of inspecting officers, that the *morale* of the organization is good.

PROVOST-MARSHAL-GENERAL.

On the 1st day of November, 1864, the date to which the last annual report of the Provost-Marshal-General was brought up, the business of recruiting and the draft under the call of July 18, 1864, was in progress:

The number called for was	500,000
Reduced by credits on former calls	265,673
To be obtained	234,327

The whole number of voluntary enlistments under that call was 188,172, viz.:

Volunteers, (white)	146,392
Volunteers, (colored)	15,961
Regulars	6,339
Seamen	17,606
Marine Corps	1,874
Total	188,172

The whole number of drafted men and substitutes obtained under that call was 54,707, viz.:

Number held to personal service	26,205	
Number of substitutes for drafted men	28,502	
Total	54,707	
Number of substitutes for enrolled men	29,584	
Total		84,291
Whole number obtained under the July call		272,463

On the 19th of December, 1864, a call was made for three hundred thousand (300,000) men.

Under this call the whole number of voluntary enlistments was 157,058:

Volunteers, (white)	130,620
Volunteers, (colored)	10,055
Regulars	6,958
Seamen	9,106
Marine Corps	319
Total	157,058

The whole number of drafted men and substitutes under that call was 24,580:

Number held to personal service	12,566	
Number of substitutes for drafted men	12,014	
Total	24,580	
Number of substitutes for enrolled men	12,997	37,577
Whole number raised under December call was		194,635

The suspension of active military operations occurred while the business of the draft, under this call, was in progress, and orders were issued on the 13th of April, 1865, to discontinue the business of recruiting and drafting; and on the next day all drafted men who had not been forwarded to general rendezvous, were ordered to be discharged, and soon after all who had not been forwarded to the field were discharged by orders through the Adjutant-General.

The aggregate quotas charged against the several States, under all calls made by the President of the United States, from the 15th day of April, 1861, to the 14th day of April, 1865, at which time drafting and recruiting ceased, was	2,759,049
The terms of service varying from three months to three years, as shown in detail by the books of the Provost-Marshal-General's office.	
The aggregate number of men credited on the several calls, and put into service of the United States in the army, navy and marine corps, during the above period, was	2,656,553
Leaving a deficiency on all calls, when the war closed, of	102,496

Which would have been obtained in full if recruiting and drafting had not been discontinued.

This number does not embrace the "emergency men" put into service during the Summer of 1863, by the States of New-York, New-Jersey and Pennsylvania, nor those furnished by the States of Ohio, Indiana and Illinois, during the "Morgan raid," amounting in all to over 120,000 men, who served periods of about two or three weeks.

In estimating the number of troops called into service, it has been the rule of the department to take into account the whole number of men mustered, without regard to the fact that the same persons may have been previously discharged, after having been accepted and credited on previous calls.

Under the different calls, volunteers have been accepted for various terms of service, viz.: three, six, and nine months, and one, two, and three years respectively; and a large number of persons who had served under one call have subsequently enlisted under another. Thus a portion of those who enlisted under the call in April, 1861, for 75,000 three-months men, again enlisted under succeeding call in July following for three years; others reëntered the service for nine months, or for one or two years, and at the expiration of these periods again reënlisted for three years, and the entire "veteran volunteer" force consisted of those who, having served two years, reënlisted for three years more.

It will be observed, therefore, that a large portion of the number counted in filling calls has been furnished, first, by the reënlistment of those in service, and, second, by those who have reëntered the service after a discharge from a former enlistment under which they had been credited; that is, the different calls were filled by crediting each accepted enlistment, instead of limiting the credit to the actual number of persons who entered the service anew; and hence to determine the number of men actually entering the service for the first time, under the different calls, the number credited should be reduced in the same ratio that the enlistments of the same persons have been repeated. The extent of this reduction cannot be calculated at this time, or even estimated with sufficient accuracy to be useful.

It follows, therefore, that on account of a necessary repetition of credits, incident to enlistments, the tax upon the military basis of the country has been less than would appear by considering simply the number of men embraced in the different calls for troops, or the number of credits allowed upon these calls.

The amount of commutation money received from Nov. 1, 1864, to Nov. 1, 1865, was:

On account of draft and substitute fund	$317,130 00
On account of sick and wounded soldiers, (from non-combatants, under section 17 of the act of February 24, 1864)	340,987 53
Total	$658,117 53

The total amount of "draft and substitute fund" received under the act approved March 3, 1863, is	$25,902,029 28
Total amount expended	16,387,125 80
Balance remaining in Treasury to credit of this fund	$9,514,903 48

There are just claims still outstanding which have to be met from this fund.

The regiments of the Veteran Reserve Corps have been performing garrison duty in Washington and its defensive works, at the various depots for recruits and drafted men, at the Provost-Marshal's rendezvous, escorting recruits to the field, and more recently performing garrison duty at the several rendezvous for muster out of the volunteer forces.

Since the termination of active operations no transfers have been made to this corps, nor have any officers been appointed.

The amount expended from the appropriation for "collecting, drilling and organizing volunteers," from Nov. 1, 1864, to Nov. 1, 1865, was $1,429,281 73.

The balance of this appropriation remaining in the treasury is $12,163,380 59, and about half a million dollars is still in the hands of disbursing officers, which is needed to pay outstanding accounts and expenses incurred in mustering out the volunteer forces of the United States.

As fast as the exigencies of the service permitted, the force employed has been reduced. The surgeons and commissioners of boards of enrollment in all the districts, 370 in number, have been discharged. The different districts have been consolidated, and but thirty-three provost-marshals are now in service, all of whom will be discharged as soon as their services can be dispensed with.

No appropriation of money will be required for the support of this bureau during the next fiscal year.

PAYMASTER-GENERAL.

The Paymaster-General reports that during the fiscal year ending June 30, 1865, $7,839,225 47 were paid to the regular army, while $300,738,635 95 were paid to volunteers, and that the total disbursements since June 30, 1864, to the date of his report, amount in the aggregate to $524,054,946 37. Payments amounting to $270,000,000 have been made to about 800,000 mustered-out troops. The highest number of additional paymasters in service during the fiscal year was 447; the number now in service is 210. All the troops retained in service have been paid to June 30, 1865, and many organizations to Aug. 31, 1865, and to all discharged troops in full to date of discharge.

The anticipated payments of bounties to soldiers, and three months' additional pay to officers mustered out that has fallen due by reason of muster out, amount to ninety-one millions seven hundred and fifty thousand dollars, ($91,750,000.)

The whole sum disbursed by the Pay Department since the commencement of the war, viz.: from July 1, 1861, to July 1, 1865, amounts to one thousand and twenty-nine millions two hundred and thirty-nine thousand dollars. ($1,029,239,000.)

The total losses and defalcations during the same period, if nothing should be recovered, amount to the sum of five hundred and forty-one thousand dollars, ($541,000,) and it is believed that not less than half of this amount will be recovered. The total expenses of disbursement, including all pay and allowances, commutation of quarters, fuel and traveling expenses, for four years and four months, amount to six millions four hundred and twenty-nine thousand six hundred dollars, ($6,429,600.)

Thus it is seen that the costs of disbursements to armies in the field, and amid all the hazards of unexampled war, and including all losses and expenses, are less than three-fourths of one per cent.

COMMISSARY GENERAL OF SUBSISTENCE.

The subsistence stores required during the year for distribution to the armies in the field, have, as during the earlier years of the war, been purchased in the principal markets of the Northern States. The facilities and cost of transportation to the various points where they were required for issue, the relative prices of the different markets, and a due regard to the general commercial interests of the country, have governed the Subsistence Department in apportioning those purchases among the several market centres of the country. As New-Orleans is gradually resuming a healthy commercial condition, a considerable portion of the supplies required for distribution from that point, can be obtained in that market. Although the present general condition of the Southern States is not such as to afford a large amount of supplies, still subsistence officers are able, in some parts of those States, to enter into contracts for the partial supply of the troops serving therein.

The principal purchasing officers have exhibited much ability in the performance of their duties, and great fidelity to the interests of the country. The principal commissaries immediately responsible for the subsistence of the several armies in the field have discharged the important and often difficult duties of receiving, protecting and distributing the supplies forwarded to them with commendable efficiency and success. They have also, by great energy, been able to a considerable extent to subsist the troops upon the resources of the country in which the armies were operating, or through which they were passing. It is believed that during the entire war no campaign, contemplated movement, or expedition, has failed on account of the inability of the subsistence department to meet its proper requirements, and that the troops, wherever stationed or operating, have, with rare exceptions, been supplied with rations in good and wholesome condition.

The muster-out of a large part of the army, consequent upon the sudden close of active military operations, unavoidably left in some of the depots an excessive supply of subsistence stores. These have been sent to other points where they were required. Surplus and damaged stores will be disposed of by sale. A sufficient quantity of hard bread and other articles have been kept from earlier sale with the view of meeting, in an economical manner, the wants of those people, white and colored, who, by the events of the war, have been reduced to a suffering condition.

Under orders of June 29, 1865, the whisky ration was discontinued, and the sale of the supply on hand has already taken place at many points, and will soon be completed.

During the past year, as in previous years of the war, a very considerable income has been derived from the sale of the hides, tallow, and other parts of beef cattle not issuable as beef to the troops.

Prisoners of war, held at thirty-two forts, prison-barracks, camps and hospitals, have been well subsisted, having received a sufficient portion and variety of the ration to insure health, leaving in the hands of the several issuing Commissaries, as "savings," that portion of the ration not deemed necessary for persons living in entire idleness. The pecuniary value of these "savings" has constituted a prison fund, available, under the instructions of the Commissary-General of prisoners, for the purchase of articles necessary for prison-barracks and hospitals, and for meeting other necessary expenses of the prisons. There has been transferred to the Subsistence Department a "savings" credit of the amount of $1,507,359 01, and there remains yet to be transferred an amount not less than $337,766 98, making a total amount of $1,845,125 99.

Under section 3 of the Act of July 4, 1864, 1,470 claims have been submitted, of which 50 have been approved for payment, and 413 disallowed; 650 are awaiting explanation, and 357 remain to be examined.

It is proposed to ascertain and exhibit, in a tabular form, the total quantity of each article of subsistence stores purchased for the use of the army during each year of the war, from 1861 to 1865, inclusive. Such a statement, it is believed, would prove an interesting addition to the commercial statistics of the country.

The officers of the Subsistence Department, regular and volunteer, have, with but few exceptions, discharged their duties with fidelity and success.

SURGEON GENERAL.

The Surgeon General reports that the receipts from all sources and available for the expenses of the Medical Department during the fiscal year ending June 30, 1865, were $20,489,680 47. Disbursements during the year, $19,328,499 23, leaving a balance in the Treasury on June 30, of $1,161,181 24.

The ample provision for sick and wounded existing at the date of the last annual report was increased during the ensuing months until a maximum of 204 general hospitals, with a capacity of 136,894 beds, was reached.

Upon the termination of active military movements, immediate measures were taken to reduce the expenses of the Medical Department. Of the 201 general hospitals open on January 1, 1865, 171 have been discontinued. Three of the sea-going hospital transports have been discharged; the fourth is now constantly engaged in transfer of sick and wounded from Southern ports to general hospitals in New-York harbor. All of the river hospital-boats have been turned over to the Quartermaster's Department, and but a single hospital train is retained in the Southwest. The vast amount of medicines and hospital supplies made surplus by the reduction of the army has been carefully collected at prominent points, and is being disposed of at public auction, most of the articles bringing their full value, and in some instances their cost prices.

Two hundred and fourteen Surgeons and Assistant-Surgeons of volunteers have been mustered out, and of the 265 hospital chaplains appointed during the war, 29 only are still in commission.

The returns of sick and wounded show that of white troops 1,057,423 cases have been treated in general hospitals alone, from 1861 to July 1, 1865, of which the rate of morality was eight per cent. In nearly all sections of the country, the health of the troops has been fully equal to that of preceding years, though military movements of unprecedented magnitude have been pushed to successful termination, without regard to seasons. An epidemic of yellow fever prevailed at Newbern, N. C., in the Fall of 1864, and the released or exchanged prisoners arriving at Wilmington, N. C., from rebel prisons, suffered from an epidemic of typhoid fever. With these exceptions no serious epidemics have appeared, and it is interesting to note that the quarantine regulations, strictly enforced by military authority, have proven, during the occupation of Southern seaports and cities by our troops, to be an absolute protection against the importation of contagious or infectious diseases. In view of the apprehensions entertained in regard to the Asiatic cholera, now devastating the shores of the Mediterranean, this becomes a significant fact.

In addition to the alphabetical registers of dead, not yet fully completed, the records of the medical department contain 30,000 (thirty thousand) special reports of the more important forms of surgical injuries, of diseases and operations. These reports, with statistical data, and a pathological collection numbering seven thousand six hundred and thirty specimens, furnish a mass of valuable information, which is being rapidly arranged and tabulated, as a medical and surgical history of the war, for the publication of the first volume of which an appropriation will be asked.

In this connexion, and as illustrating more in detail the importance of this work, the *Army Medical Museum* assumes the highest value. By its array of indisputable facts, supported and enriched by full reports, it supplies instruction otherwise unattainable, and preserves for future application the dearly bought experience of four years of war. Apart from its great usefulness, it is also an honorable record of the skill and services of those medical officers whose contributions constitute its value, and whose incentive to these self-imposed labors has been the desire to elevate their profession. A small appropriation has been asked to continue and extend this collection.

For recommendation of measures tending to the greater efficiency of the Medical Department, reference is made to the special report from the Surgeon-General's office, which will be submitted to the appropriate congressional committees.

QUARTERMASTER-GENERAL.

The report of the Quartermaster-General contains a statement of the operations and expenditures of the department under his control during the fiscal year ending 30th of June, 1865. The principal movements of troops by the Quartermaster's Department during that time are described. They have been made promptly and with few accidents, and are striking illustrations of the improvements in the art of war which have been developed during the late contest.

The Twenty-third Army Corps, after fighting at Nashville, in the midst of ice and snow in December, 1864, was, on the conclusion of the campaign in the West, transferred from the Valley of the Tennessee to the banks of the Potomac, moving by river and rail down the Tennessee, up the Ohio, across the snow-covered Alleghanies, a distance of 1,400 miles, and in the short space of eleven days was encamped on the banks of the Potomac, then blocked up with the ice of a most severe Winter. Vessels were collected to meet this corps, the obstacles interposed by the ice were overcome, and early in February the troops composing it were fighting before Wilmington, on the coast of North Carolina.

The transfer of the Eleventh and Twelfth Corps, under Gen. Hooker in 1863, from the Potomac to the Tennessee, is the only parallel to this movement. That was an almost unexampled operation at the time. Gen. Hooker's command contained 23,000 men, and was accompanied by its artillery and trains, baggage and animals, and accomplished the distance from the Rapidan, in Virginia, to Stevenson, in Alabama, a distance of 1,192 miles, in seven days, crossing the Ohio River twice. The Twenty-third Army Corps moved 15,000 strong.

Other important operations are described, among which are the supply of the army of Lieut.-Gen. Grant before Richmond; of the army of Gen. Sherman at Atlanta, preparatory to his march to Savannah; of the same army at the depots on the Atlantic, on his communicating with the coast, first at Savannah and afterward at Goldsboro, at both of which places depots were established, and his army reinforced and equipped with everything necessary to make successful campaigns.

The transfer of the Twenty-fifth Army Corps, 25,000 strong, in the month of May, from the James to the coast of Texas, is fully described, and the extent and cost of the fleet used in this movement are set forth in full.

Transportation was promptly supplied from all parts of the South to their homes in the North, for the immense army which has been disbanded, and the organization of the department which has made it possible to meet these demands so promptly is believed to have been at least as perfect as that of any other nation.

The report gives tables of the quantities of the principal military supplies, clothing, forage, fuel, horses, mules and wagons, which have been purchased, transported, and used during the fiscal year. It contains full statements of the vessels which have been in the service during that time upon the Western rivers and upon the ocean and bays. Many of them have now been discharged from the service or advertised for sale, orders for the reduction of the transport fleet having been given as soon as hostilities ceased.

The return of the armies from the South, the transportation of the discharged soldiers to their homes, the transfer of troops to Texas, the return of refugees expelled from the South by Gen. Sherman, and of rebel prisoners released at the termination of the war, have, however, taxed the resources of the Quartermaster's Department heavily during the last Spring and Summer.

The transport service has been most satisfactorily performed. Upon the ocean a fleet of over 700 vessels has been constantly employed, with the reported loss by storm, by collision and by fire, of only three; one steamship was destroyed in each of these modes.

The repair of the railroads from Chattanooga to Atlanta by the military railroad branch of the Quartermaster's Department, under the charge of Brevet Brig.-Gen. D. C. McCallum, was referred to in the last annual report. Upon the advance of Gen. Sherman from Atlanta, he destroyed the railroad in his rear, blew up all the railroad buildings at Atlanta, sent back his surplus stores and all the railroad machinery which had to that time supplied his army. The stores and the railroad stock were safely withdrawn to Nashville, and after the dispersion of the army of Hood, which had broken the railroad in Georgia and Tennessee in its advance, the Railroad Construction Corps again took the field, and reopened railroad communication with Chattanooga, Atlanta and Decatur. After the fall of Macon and Augusta, it became necessary, in order to supply the army of Major-Gen. Wilson, to open railroad communication between Augusta and Atlanta and Macon. This was successfully accomplished.

A division of the Construction Corps, fully organized, under the command of Col. Wright, with tools and equipments, was transferred, in December and January, from the Tennessee to Savannah, by way of Baltimore. As Gen. Sherman did not repair the railroads of Georgia and South Carolina, but marched northward, lightly equipped, living upon the supplies in his wagon trains, and by foraging upon the enemy, this division of the Construction Corps was transferred to Beaufort, N. C., and after its fall to Wilmington, where it repaired and restocked the railroads from these ports to Goldsboro and to Raleigh. Gen. Sherman's army was thus quickly provisioned, reclad, reshod, and equipped for a march to the James.

The surrender of the rebel armies and pacification of the Southern States have enabled the Quartermaster's Department to return to their former possessors most of the railroads which have been in military possession during the war. The department, in transferring them to their boards of directors—reorganized upon a loyal footing—delivers up the roads and bridges in whatever condition they may be at the time of the transfer.

The great accumulation of railroad engines and cars upon the Western military railroads is being disposed of to the railroads of the Southwest, which have suffered severely from the operations of both armies during the war. Under the orders of the Executive this stock is being delivered to the companies, who are to pay for it within two years, at a valuation fixed by a board of officers and experts, assembled by the government.

The reconstruction of these roads and their successful operation are of great importance, not only to the districts in which they are located, but to the general commerce and prosperity of the country; and the liberal policy pursued toward them will react favorably upon the revenue and credit of the nation.

The agreement made early in the war with the railroad companies of the loyal States, fixing reduced rates of military transportation, remains in force, and has been extended to the railroads in the Southern States since the termination of hostilities.

Full reports are given of the quantities of clothing, camp and garrison equipage furnished to our armies during the past year, and also during the war. The tables accompanying the Quartermaster-General's report give information on these points, which show in a favorable light the manufacturing power of the country.

The vast supplies of forage required for the armies have been promptly furnished and transported to the depots. While moving through the Southern country the armies found ample quantities, and it was only when lying still in camp that they had any difficulty in supplying themselves.

During the year over 29,000,000 bushels of grain and 400,000 tons of hay have been provided by the depots of the Quartermaster's Department; 336,000 cords of wood and 832,000 tons of coal have also been supplied by the depots. Troops in the field have supplied themselves with fuel from the forests in which they have operated. The depots of the Quartermaster's Department have, during the war, furnished the army with 23,000,000 bushels of corn, 78,000,000 bushels of oats, 93,000 bushels of barley, 1,500,000 tons of hay, 20,000 tons of straw, 550,000 cords of wood, and 1,600,000 tons of coal, all of which have been purchased, measured, transported, issued and accounted for by its officers and agents. At the depot of Washington alone there have been issued during the year 4,500,000 bushels of corn, 29,000,000 bushels of oats, 490,000 tons of hay 210,000 cords of wood, and 392,000 tons of coal.

The supply of horses and mules for the army has been regular and sufficient. There were purchased during the fiscal year 141,632 cavalry horses; from Sept. 1, 1864, to 30th June, 1865, 20,714 artillery horses; and from 1st July, 1864, to 30th June, 1865, 58,818 mules. Prices of horses varied during the year from $144 to $185; of mules, from $170 to $195.

The reduction of the army has enabled the Quartermaster's Department to dispense with large numbers of horses and mules, and to the 17th of October the sales of animals are estimated to have produced $7,000,000.

The teams and animals of the armies, have, as during previous fiscal years, averaged about one wagon to twenty-four men in the field, and one horse or mule to every two men.

The burial records of the Quartermaster's Department, which do not include the names of those who fell in battle and were buried immediately on the field by their comrades, show the interment in cemeteries of 116,148 persons, of whom 98,827 were loyal, 12,596 disloyal, and of whom 95,803 were whites, and 20,345 colored persons.

The military cemeteries at Washington, Alexandria, Arlington and Chattanooga, have been carefully tended and decorated.

An officer, with material and men, to mark the graves of our brethren who fell victims to rebel barbarity at Andersonville, was dispatched from Washington as soon as the country was opened to us, and reports that he has inclosed the cemetery and marked the graves of 12,912 soldiers buried therein. Of these the captured records of the prison hospital enabled him to identify 12,461, and their names are recorded upon head-boards, painted white and planted at the head of their graves. On 451 graves he was compelled to put the sad inscription, "*Unknown U. S. Soldier.*" The list of these names is in course of publication. The names of those who have been interred in the military cemeteries of the District of Columbia and at Arlington have already been published and distributed to State authorities and public institutions, as well as to newspapers which publish official advertisements, so as to be made accessible to their friends.

The military organization of the operatives and agents of the Quartermaster's Department, referred to in the last annual report, was kept up until the close of the war. It did good service in the fortifications, at the attack on Washington in July, at the attack on Johnsonville in the Fall, and bore a part in the battle of Nashville, on the 15th and 16th of December, 1864, which gave the final blow to the rebellion in the West. Upon the cessation of hostilities this organization was disbanded, its arms restored to the arsenal, and most of its members have returned to peaceful pursuits.

The employment of colored men in the Quartermaster's Department, in connection with the trains of the army, as laborers at depots and as pioneers of the troops of the Western army, continued to the close of the war. In all these positions they have done good service and materially contributed to the final victory which confirmed their freedom.

The great cost of transportation of supplies across the Western plains and mountains to the depots and posts of the wilderness, and for the supply of troops operating against the Indians, is reported, and the Quartermaster-General calls attention to the importance, in this view, of the vigorous prosecution of the work of the railroads to connect the Mississippi Valley with the Pacific Coast, as a military precaution and a measure of economy, deserving the fostering care of the government.

RETRENCHMENT IN THE QUARTERMASTER-GENERAL'S BUREAU.

The Quartermaster-General reports that, immediately on the termination of active hostilities, under orders from the Secretary of War, he took measures to reduce expenditures; to discharge operatives and agents; to discharge chartered transports, and to sell those belonging to the United States not needed to bring home troops for muster-out; to reduce the number of horses in reserve at the depot; to stop the purchase of horses and mules, and to sell those belonging to the troops disbanded; to cease making contracts and purchases of clothing and equipment; to stop the repair and construction of military railroads; to return all such railroads to their former owners, and to sell or dispose of the rolling stock and other material used thereon.

He reports sales of 128,840 horses and mules, for which the sum of $7,500,000 was received.

Of 5,355 persons employed in the Cavalry Bureau, three-fourths have been discharged. Those still employed are engaged in receiving, caring for, and selling the animals turned in by the armies.

The purchase and manufacture of clothing, which during the past fiscal year had caused an expenditure of between eight and nine millions per month, has ceased entirely, and, by compromise with merchants, contracts for clothing and equipment, amounting to four millions of dollars, have been canceled.

Twenty-five hundred buildings, vacated, have been ordered for sale.

The sales of buildings, wagons, harness, tools, iron, and other like material, have realized thus far a million of dollars.

Over 1,700 miles of military railroad, operated for the department by 23,700 workmen and agents, at a monthly cost of one and a half million of dollars, have been restored to their former owners, and the number of persons employed in completing the accounts, in taking care of and disposing of the railroad property not yet sold or transferred, has been reduced to less than 500, the rest having been discharged.

The rolling-mill at Chattanooga, its product, and the scrap iron there collected, have been sold; the mill for $175,000; the rolled iron for $200,000, and the old iron for about $100,000.

Eighty-three engines and 1,009 cars have been sold for $1,500,000. Over 200 locomotives and 2,000 cars have been sold at appraised values, on credit, to the Southern railroads.

Of 588 steamboats and other boats employed on the Western rivers, all but 11 have been put out of commission. The sales of many of those owned by the United States have been effected. These sales are not yet concluded; they will produce about $1,100,000.

Of the transport fleet upon the ocean on the 1st of January last, 460 steamers and vessels of all kinds have been discharged or laid up for sale, and many of them have already been sold. The fleet has been reduced over 100,000 tons, and vessels are daily arriving at home ports to be discharged or sold. The monthly expenses of the transport fleet have been reduced $1,814,130.

A million of dollars has been received from the sales of vessels belonging to the department, which will be increased by future sales.

In all, 83,887 persons, employed on wages, had been discharged from the service of the Quartermaster's Department at the end of December, 1865, reducing its expenses per month $4,086,093.

The sales of property of all kinds reported and recorded on the books of the Quartermaster-General's office, from the 20th of April to the 8th of November, 1865, amount to $13,357,345.

The cost of forage issued to the armies during the month of March last is estimated at $3,294,000. In the month of September it is estimated at $1,134,000, a reduction in monthly expenditure of $2,160,000. The armies on the Eastern coast have been supplied with forage purchased before the end of May last. No considerable purchases have been made in the East since that time. Purchases of forage since May have been confined to the supply of the troops in Georgia and upon the Gulf coast in Texas, and upon the Western plains.

The consumption of coal in the month of March last was 90,685 tons, costing $748,151. In September it had been reduced to 25,592 tons, costing $204,736, a reduction of monthly expenditure of $543,415.

Chief Engineer.—The report of the Chief Engineer of the army gives the operations of the department under his charge, and the duties of the officers of the Corps of Engineers. This corps consisted, on June 30, 1865, of eighty-five officers, the Military Academy, and five companies of engineer troops. Every member of the corps has been on duty uninterruptedly during the year. At the date of the report twelve officers, being Generals in command of troops, were on detached service, and others were on staff duty, or detailed for service under the orders of the Lighthouse Board and the Department of the Interior, the remainder being on duty at the Military Academy, on sea-coast defences, survey of the lakes, with the engineer battalion, and as assistants to the Chief Engineer. The particular services rendered by these officers are recited in the narratives and other statements accompanying the report, and comprise the professional duties of the engineer, together with those of the various arms of the service to which the officers have been assigned. In general, every army and military expedition has had assigned to it officers of this corps. Their reports give the plans of attack and defence, as well as the outlines of the marches by the armies to which they were attached, and together constitute a comprehensive statement of the last year's operations of the armies.

The sea-coast defences have progressed in proportion to the available means and the number of officers who could be assigned to this branch of duty. The efforts of the engineer department have been principally directed to constructions for mounting the guns of large calibre now essential in consequence of corresponding armaments in iron floating batteries. The permanent forts on the Gulf, since their repossession by the government, have been repaired and put in a defensive condition. The available means of the department will suffice to accomplish all that is required at these works, and at those of the Southern Atlantic coast, until plans are matured for modifications adapting them to the existing sea-coast armaments.

The Military Academy has continued to furnish a limited number of graduates for the subordinate grades of the army, a number, however, which has not for years past sufficed to fill the vacancies, in the line and staff, occasioned by the casualties of the service. The Chief Engineer, in view of this fact, recommends an increase of the number of cadets; and, in order to economize in the expenses of the institution, proposes a mode of selecting candidates from nominees for each vacancy, but that will, he thinks, with more certainty insure proficiency in studies and the military art, by those aspiring to enter the service.

The survey of the northern lakes has progressed during the year as heretofore. The repairs and preservation of the harbors on the lakes and on the Atlantic have been prosecuted to the full extent of the resources of the department in officers and available funds. Success in this branch of engineering is attended with greater difficulties than are met in most others in which science and skill are called upon to promote the interests of the country. Heretofore the plans of improvement adopted have been directed to secure immediate results, and the source of the evil having been left to exercise its influence, has rendered constant repetitions of labor and expenditures necessary. The Chief Engineer is now calling upon the officers charged with works of this character for plans to arrest the cause of constant obstructions to commerce, and it is hoped that measures may be devised by which these improvements may be devised by which these improvements may be made to endure for a longer period, if not to become permanent in their nature.

The expenditures of the Engineer Department during the year amounted to $5,479,420 23.

ORDNANCE BUREAU.

The fiscal resources of the Ordnance Bureau for the past year amounted to $45,783,656 10, and the expenditures to $43,112,531 27, leaving a balance of $2,671,124 83 to the credit of disbursing officers, in the government depositaries, on June 30, 1865.

The estimates for the next year are for objects not confined to a state of war, but for such as are required to keep up a proper state of preparation, and to reserve the large and valuable munitions of war now on hand. On the termination of the war, measures were promptly taken to reduce the procurement of supplies, and to provide storage for the munitions returned to the arsenals from the armies and captured from the enemy. Commodious fire-proof workshops are being erected at Allegheny, Watervliet and Frankford Arsenals, and it is contemplated to erect similar shops at Washington Arsenal, for which there is an appropriation. These shops can be advantageously used for storage when their entire capacity for manufacturing purposes is not needed.

From the evident importance of arming the permanent fortifications as fast as they are built, the construction of cannon and carriages for this purpose, as far as existing appropriations warrant, has not been intermitted. It is contemplated to increase the capacity of manufacturing sea-coast carriages in proportion to the readiness of the forts to receive them, and to discontinue the fabrication of wooden carriages for field and siege guns, in favor of iron carriages, which experiments have shown are preferable for that service. Cast-iron smooth-bore cannon, of large calibre, as now made, are found to be entirely reliable; but not so the heavy rifled cannon, as heretofore made and tried. The failures, on trial, of the wrought-iron guns made by Mr. Horatio Ames, indicate that these guns cannot be relied upon, and that no more of them ought to be made for this department. Two experimental cast-iron eight-inch rifle guns have been made of the model and weight supposed to render them reliable for service. They are now undergoing extreme proof to test them thoroughly.

The manufacture of arms at the National Armory was reduced at the conclusion of hostilities as rapidly as could be done with economy, and at present no new muskets are being made there. With a view to change the model of small arms from muzzle-loaders to breech-loaders, extensive experiments have been made; but they have not yet resulted in the selection of a model of such decided excellence as to render its adoption for the service advisable. It is hoped that such a model may soon be found. A plan for altering the musket of the present pattern into efficient breech-loaders has been devised, and five thousand of them are being so altered for issue to troops for practical test. There are nearly one million of good Springfield muskets on hand, and upwards of half a million of foreign and captured muskets. The latter will be sold whenever suitable prices can be obtained for them, and also other ordnance stores of a perishable nature, which are in excess of the wants of the service.

The necessity of providing a suitable depository for gunpowder, with proper magazines for its storage and preservation, which was stated in the last annual report, is again mentioned, and the requisite legislation is urged.

A partial provision for this object, as far as respects a supply for the Mississippi Valley, has been made on the military reserve at Jefferson Barracks.

The government has not yet acquired a title to the property on Rock Island, taken possession of under the act of July 19, 1864. It is important that this be done with as little delay as practicable. The importance of having full possession and control of Rock Island, including the adjacent islands, and the right of way, is stated in the report of the Chief of Ordnance, and additional legislation therefor, if necessary, is recommended.

Several of the Southern arsenals have been reoccupied, and it is intended to reoccupy them all, except that at Fayetteville, N. C., which has been destroyed. The necessary measures have been taken for the preservation of the powder-mill at Augusta, and the laboratory and unfinished armory at Macon, Ga., which have been captured.

The number of permanent United States arsenals and armories is twenty-eight. The command and supervision of these, together with the inspection services required at the arsenals, the foundries, the powder-mills, and other private establishments engaged in work for the government, furnish constant employment for the whole number of ordnance officers (sixty-four) now authorized by law. The proper discharge of these essential duties requires that that number should be continued as part of the military peace establishment of the country.

The armies in the field have been amply and well supplied with arms and other ordnance stores, and the fortifications have had their armaments kept in order and strengthened and increased by additional guns of heavy calibre and great efficiency.

THE SIGNAL CORPS.

On the 1st of November, 1864, the signal corps numbered 168 officers and 1,350 enlisted men, distributed in detachments among the armies in the field and the military departments. All that portion of the signal corps on duty east of the Mississippi River, has been mustered out of service, the act of Congress under which the corps was organized having limited its organization to the duration of the rebellion. There now remain 9 officers and 37 enlisted men in the military division of the Mississippi, and 15 officers and 99 enlisted men in the military division of the Gulf. These detachments are operating with the troops on the plains, in Texas, and along the southwestern boundary.

The expenditures from appropriations for the signal service amounted to $8,537 06 during the year ending Sept. 30, 1865. The balance unexpended amounts to $248,062.

MILITARY TELEGRAPH.

The telegraph has continued to be a most efficient and important instrument in military operations, and its officers have shown the same devotion and fidelity which have signalized their efforts during former years. There have been constructed during the year 3,246 miles of military telegraph; 8,326 miles have been in operation during the year, and at its termination 6,[illegible] miles were still in use. The expenditures through the military telegraph during the fiscal year was $1,260,000; since the beginning of the war, $2,655,500. There have been constructed and operated in all during the war about 15,000 miles of military telegraph. Control has been assumed of the telegraphs of the late rebellious districts as fast as they fell into our hands, and arrangements are now made by which the lines are kept in repair by the stockholders, the United States being at the expense only of purely military lines and stations.

MILITARY PRISONERS AND PRISONERS OF WAR.

The report of the Commissioner of Exchanges exhibits the exchange transactions during the war, with statistical tables and other information respecting the condition and treatment of prisoners on each side.

Frequent inspections of military prisons have been made from time to time, and all military prisoners have been released, except such as were under sentence or awaiting trial for murder, arson, or other grave offences. Clemency has been extended liberally, as was deemed compatible with public security. All persons imprisoned for offences against the draft laws, have been released, and all deserters from the volunteer service. Since the surrender of Lee's army, the danger to the national safety from combinations and conspiracies to aid the rebellion or resist the law, in the States not declared to be insurgent, has passed away; it is therefore recommended that the proclamation suspending the writ of *habeas corpus* in those States, be revoked.

The Commissary General of Prisoners reports that between the 1st of January and the 20th of October, there were in our custody ninety-eight thousand eight hundred and two prisoners of war. Of these nineteen hundred and fifty-five enlisted into the United States service. Sixty-three thousand four hundred and forty-two were released after the cessation of hostilities, and thirty-three thousand one hundred and twenty-seven were delivered in exchange. Besides these, one hundred and seventy-four thousand two hundred and twenty-three prisoners surrendered in the different rebel armies, and were released on parole, viz.:

Army of Northern Virginia, commanded by Gen. R. E. Lee	27,805
Army of Tennessee and others, commanded by Gen. J. E. Johnston	31,243
Gen. Jeff. Thompson's Army of Missouri	7,978
Miscellaneous paroles, Department of Virginia	9,072
Paroled at Cumberland, M. D. and other stations	9,377
Paroled by Gen. McCook in Alabama and Florida	6,428
Army of the Department of Alabama, Lieut.-Gen. R. Taylor	42,293
Army of the Trans-Mississippi Department, Gen. E. K. Smith	17,686
Paroled in the Department of Washington	3,390
Paroled in Virginia, Tennessee, Georgia, Alabama, Louisiana and Texas	13,922
Surrendered at Nashville and Chattanooga, Tenn.	5,029
Total	174,223

JUDGE-ADVOCATE-GENERAL.

In the Bureau of Military Justice, since March 2, 1865, there have been received, reviewed and filed, 16,591 records of general courts-martial and military commissions, and 6,123 special reports have been made as to the regularity of proceedings, the pardon of military offenders, the remission or commutation of sentences, and upon the numerous miscellaneous subjects and questions referred for the opinion of the bureau, including also letters of instruction upon military law and practice to Judge-Advocates, reviewing-officers, &c. By comparing these details with those presented in March last, it will be perceived that the business of this bureau, especially as an advisory branch of the War Department, has not yet been diminished or sensibly affected by the altered condition of public affairs.

The "Digest of Opinions of the Judge-Advocate-General," issued by the bureau in January last, having come into extensive use throughout the army, has proved of considerable advantage to the service in contributing to establish a uniformity of decision and action in the administration of military justice. As the present edition of the work has been very nearly exhausted, it is proposed to prepare, during the coming Winter, an enlarged edition, containing, in connection with those already published, a selection of the official opinions communicated by the Judge-Advocate-General during the present year.

FREEDMEN'S BUREAU.

By an act of the last session of Congress a new bureau in the War Department was created, called the Bureau of Freedmen, Refugees and Abandoned Lands. Its object was to supply the immediate necessities of those whose condition was changed by hostilities, and were either escaping or escaped from slavery to obtain freedom, or were driven from their homes by the pressure of war, or the despotism of the rebellion. Its aid was designed for the needy of both races, white and black, and to administer as well aid from the government and from charitable individuals and associations. No appropriation was made to carry this act into effect, but the condition of the people in the insurgent States required prompt relief. The act of Congress authorized the assignment of military officers to duty in the bureau, and under this provision it was organized. Maj.-Gen. Howard was assigned to duty as Commissioner; other officers selected by him were assigned for agents and assistants, and an organized system of relief has gone into operation. The report of the Commissioner, which has not yet been furnished to the department, will show the operation of the Freedmen's Bureau during a period of several months, and afford some means to judge what regulations are required. It is plain that some such organization is wanted in the insurgent States to relieve promptly great and pressing need arising from the war, and social disorganization resulting from the war. Proper provision for the colored population, whose condition has been changed by direct act of the Federal Government, to serve its own purposes in the conflict, is a solemn duty. More or less resistance to the performance of this duty is to be expected while any rebellious or hostile spirit remains, but the obligation to perform it cannot be evaded or thrust aside with national honor or safety. A numerous class of white persons who, without fault in themselves, are suffering want occasioned by the ravages of war, have also a just claim for relief. But while discharging these obligations to needy destitute white persons and the free colored people, the utmost care must be observed to guard against establishing a national system of pauperism that might foster a horde of idle officials or dishonest agents, and engender vice, sloth and improvidence among a large class of persons. To avoid this evil and insure strict supervision, it is urgently recommended, first, that all appropriations of money for the Freedmen's Bureau be made in specific terms, distinct from any other purpose; Second, that the number of agents and employes, and their compensation, be fixed by law; Third, that the duties and powers of the bureau, in respect to persons and property, be defined by law.

By the heads of the respective bureaus of the War Department and their staffs the government has been served with a zeal and fidelity not surpassed by their brethren in the field. To them the honors and distinction of an admiring public have not been opened, but in their respective vocations they have toiled with a devotion, ability, and success for which they are entitled to national gratitude.

GRAND RESULTS OF PATRIOTISM AND FAITH.

Beside the signal success vouchsafed to our arms, other causes contributed to overthrow the rebellion. Among the chief of these may be reckoned:

1. The steadfast adherence of the President to the measure of emancipating the slaves in the rebel States. Slavery was avowed by the leaders of the rebellion to be its corner-stone. By that system millions of people, constituting nearly the whole working population of the South, were employed in producing supplies on the plantation, in the workshops and manufactories, and wherever labor was required, thus enabling the white population to fill the rebel armies. The hopes of freedom, kindled by the emancipation proclamation, paralyzed the industrial power of the rebellion. Slaves seized their chances to escape, discontent and distrust were engendered, the hopes of the slave and the fears of the master, stimulated by the success of the Federal arms, shook each day more and more the fabric built on human slavery.

2. The resolute purpose of Congress to maintain the Federal Union at all hazards, manifested by its legislation, was an efficient cause of our success. Ample supplies appropriated for the army and navy, revenue laws for supplying the treasury, careful revision and amendment of the laws for recruiting the army and enforcing the draft, gave practical direction to the patriotic purpose of the people to maintain a national existence that should afford protection and respect by means of the Federal Union.

3. Patriotic measures adopted by the Governors of loyal States, and the efficient aid they rendered the War Department in filling up the ranks of the army and furnishing succor and relief to the sick and wounded, largely contributed to the national preservation. Of these measures one of the most important was the aid tendered by the Governors of Ohio, Indiana, Illinois, Iowa, Wisconsin and Michigan in the opening of the campaign of 1864.

On the 21st day of April, 1864, Govs. Brough, Morton, Yates, Stone and Lewis made an offer to the President to the following effect:

That these States should furnish for the approaching campaign infantry troops, 30,000 from Ohio, 20,000 from Indiana, the same number from Illinois, 10,000 from Iowa, and 5,000 from Wisconsin; the term of service to be one hundred days; the whole number to be furnished within twenty days; the troops to be armed, equipped, and transported as other troops, but no bounty to be paid, nor any credit on any draft, and the pending draft to go on until the State quota was filled.

After full consideration and conference with the Lieutenant-General, this offer was accepted by President Lincoln. The State of Ohio organized within four weeks, and placed in the field, 35,646 officers and men, being 5,646 troops more than the stipulated quota. Other States, less able to meet the contingency, contributed with alacrity all that could be raised.

Although experience had shown that troops raised for a short term were more expensive and of less value than those raised for a longer period, these troops did important service in the campaign. They supplied garrisons and held posts for which experienced troops would have been required, and these were relieved so as to join the armies in the field. In several instances the three-months troops, at their own entreaty, were sent to the front, and displayed their gallantry in the hardest battles of the campaign.

4. The result of the Presidential election of 1864, exerted an important influence upon the war. Intercepted letters and dispatches between the rebel leaders, showed that their hopes of success rested greatly upon the Presidential election. If the Union party prevailed, the prosecution of the war until the national authority should be restored, appeared inevitable, and the rebel cause desperate. Even on the battle-field, the influence of the election was felt. The overwhelming voice of the people at the Presidential election, encouraged the heroic daring of our own troops, and dismayed those who were fighting in a hopeless cause.

5. The faith of the people in the national success, as manifested by their support of the government credit, also contributed much to the auspicious result. While thousands upon thousands of brave men filled the ranks of the army, millions of money were required for the treasury. These were furnished by the people, who advanced their money on government securities, and freely staked their fortunes for the national defence.

Looking to the causes that have accomplished the national deliverance, there seems no room henceforth to doubt the stability of the Federal Union. These causes are permanent, and must always have an active existence. The majesty of national power has been exhibited in the courage and faith of our citizens, and the ignominy of rebellion is witnessed by the hopeless end of the great rebellion.

EDWIN M. STANTON, Secretary of War.

LAST YEAR OF THE WAR.

OFFICIAL REPORT OF LIEUT.-GEN. GRANT.

Highly Interesting Details of the Great Work.

HEADQUARTERS ARMIES OF THE UNITED STATES,
WASHINGTON, D. C., July 22, 1865.

SIR: I have the honor to submit the following report of the operations of the armies of the United States from the date of my appointment to command the same:

NECESSITY OF A VERY LARGE FORCE.

From an early period in the rebellion I had been impressed with the idea that active and continuous operations of all the troops that could be brought into the field, regardless of season and weather, were necessary to a speedy termination of the war. The resources of the enemy and his numerical strength were far inferior to ours; but as an offset to this, we had a vast territory, with a population hostile to the government, to garrison, and long lines of river and railroad communications to protect, to enable us to supply the operating armies.

The armies in the East and West acted independently and without concert, like a balky team, no two ever pulling together, enabling the enemy to use to great advantage his interior lines of communication for transporting troops from east to west, reinforcing the army most vigorously pressed, and to furlough large numbers, during seasons of inactivity on our part, to go to their homes and do the work of producing for the support of their armies. It was a question whether our numerical strength and resources were not more than balanced by these disadvantages and the enemy's superior position.

From the first, I was firm in the conviction that no peace could be had that would be stable and conducive to the happiness of the people, both North and South, until the military power of the rebellion was entirely broken.

I therefore determined, first, to use the greatest number of troops practicable against the armed force of the enemy; preventing him from using the same force at different seasons against first one and then another of our armies, and the possibility of repose for refitting and producing necessary supplies for carrying on resistance. Second, to hammer continuously against the armed force of the enemy and his resources, until by mere attrition, if in no other way, there should be nothing left to him but an equal submission with the loyal section of our common country to the constitution and laws of the land.

These views have been kept constantly in mind, and orders given and campaigns made to carry them out. Whether they might have been better in conception and execution is for the people, who mourn the loss of friends fallen, and who have to pay the pecuniary cost, to say. All I can say is, that what I have done has been done conscientiously, to the best of my ability, and in what I conceived to be for the best interests of the whole country.

THE SITUATION AT THE TIME OF HIS APPOINTMENT AS COMMANDER-IN-CHIEF.

At the date when this report begins, the situation of the contending forces was about as follows: The Mississippi River was strongly garrisoned by Federal troops from St. Louis, Mo., to its mouth. The line of the Arkansas was also held, thus giving us armed possession of all west of the Mississippi, north of that stream. A few points in Southern Louisiana, not remote from the river, were held by us, together with a small garrison at and near the mouth of the Rio Grande. All the balance of the vast territory of Arkansas, Louisiana and Texas was in the almost undisputed possession of the enemy, with an army of probably not less than 80,000 effective men, that could have been brought into the field had there been sufficient opposition to have brought them out. The *let-alone policy* had demoralized this force so that probably but little more than one-half of it was ever present in garrison at any one time. But the one-half, or 40,000 men, with the bands of guerrillas scattered through Missouri, Arkansas, and along the Mississippi River, and the disloyal character of much of the population, compelled the use of a large number of troops to keep navigation open on the river and to protect the loyal people to the west of it. To the east of the Mississippi, we held substantially with the line of the Tennessee and Holston Rivers, running eastward to include nearly all of the State of Tennessee. South of Chattanooga, a small foothold had been obtained in Georgia, sufficient to protect East Tennessee from incursions from the enemy's force at Dalton, Ga. West Virginia was substantially within our lines. Virginia, with the exception of the northern border, the Potomac River, a small area about the mouth of James River, covered by the troops at Norfolk and Fort Monroe, and the territory covered by the Army of the Potomac, lying along the Rapidan, was in the possession of the enemy. Along the sea-coast, footholds had been obtained at Plymouth, Washington and Newbern, in North Carolina; Beaufort, Folly and Morris Islands, Hilton Head, Fort Pulaski and Port Royal, in South Carolina; Fernandina and St. Augustine, in Florida. Key West and Pensacola were also in our possession, while all the important ports were blockaded by the navy. The accompanying map (a copy of which was sent to Gen. Sherman and other Commanders in March, 1864,) shows by red lines the territory occupied by us at the beginning of the rebellion and at the opening of the campaign of 1864, while those in blue are the lines which it was proposed to occupy.

Behind the Union lines there were many bands of guerrillas and a large population disloyal to the government, making it necessary to guard every foot of road or river used in supplying our armies. In the South a reign of military despotism prevailed, which made every man and boy capable of bearing arms a soldier, and those who could not bear arms in the field acted as provosts for collecting deserters and returning them. This enabled the enemy to bring almost his entire strength into the field.

ARRANGEMENTS FOR THE GRAND CAMPAIGN.

The enemy had concentrated the bulk of his forces east of the Mississippi into two armies, commanded by Gens. R. E. Lee and J. E. Johnston, his ablest and best Generals. The army commanded by Lee occupied the south bank of the Rapidan, extending from Mine Run westward, strongly intrenched, covering and defending Richmond, the rebel capital, against the Army of the Potomac. The army under Johnston occupied a strongly intrenched position at Dalton, Ga., covering and defending Atlanta, Ga., a place of great importance as a railroad centre, against the armies under Major-Gen. W. T. Sherman. In addition to these armies, he had a large cavalry force under Forrest in Northeast Mississippi; a considerable force, of all arms, in the Shenandoah Valley, and in the western part of Virginia and extreme eastern part of Tennessee; and also confronting our sea-coast garrisons, and holding blockaded ports where we had no foothold upon land.

These two armies, and the cities covered and defended by them, were the main objective points of the campaign.

Major-Gen. W. T. Sherman, who was appointed to the command of the Military Division of the Mississippi, embracing all the armies and territory east of the Mississippi River to the Alleghanies, and the Department of Arkansas, west of the Mississippi, had the immediate command of the armies operating against Johnston.

Major-Gen. George G. Meade had the immediate command of the Army of the Potomac, from where I exercised general supervision of the movements of all our armies.

INSTRUCTIONS TO GEN. SHERMAN.

Gen. Sherman was instructed to move against Johnston's army, to break it up, and to go into the interior of the enemy's country as far as he could, inflicting all the damage he could upon their war resources. If the enemy in his front showed signs of joining Lee, to follow him up to the full extent of his ability, while I would prevent the concentration of Lee upon him if it was in the power of the Army of the Potomac to do so. More specific written instructions were not given, for the reason that I had talked over with him the plans of the campaign, and was satisfied that he understood them and would execute them to the fullest extent possible.

INSTRUCTIONS TO GEN. BANKS.

Major-Gen. N. P. Banks, then on an expedition up Red River against Shreveport, La., (which had been organized previous to my appointment to command,) was notified by me on the 15th of March of the importance it was that Shreveport should be taken at the earliest possible day, and that if he found that the taking of it would occupy from ten to fifteen days, more time than Gen. Sherman had given his troops to be absent from their command, he would send them back at the time specified by Gen. Sherman, even if it led to the abandonment of the main object of the Red River expedition, for this force was necessary to movements east of the Mississippi; that, should his expedition prove successful, he would hold Shreveport and the Red River with such force as he might deem necessary, and return the balance of his troops to the neighborhood of New-Orleans, commencing no move for the further acquisition of territory unless it was to make that then held by him more easily held; that it might be a part of the Spring campaign to move against Mobile; that it certainly would be if troops enough could be obtained to make it without embarrassing other movements; that New-Orleans would be the point of departure for such an expedition; also, that I had directed Gen. Steele to make a real move from Arkansas, as suggested by him (Gen. Banks,) instead of a demonstration as Steele thought advisable.

On the 31st of March, in addition to the foregoing notification and directions, he was instructed as follows:

1. If successful in your expedition against Shreveport, that you turn over the defence of the Red River to Gen. Steele and the navy.

2. That you abandon Texas entirely with the exception of your hold upon the Rio Grande. This can be held with 4,000 men, if they will turn their attention immediately to fortifying their positions. At least one-half of the force required for this service might be taken from the colored troops.

3. By properly fortifying on the Mississippi River, the force to guard it from Port Hudson to New-Orleans can be reduced to ten thousand men, if not to a less number. Six thousand more would then hold all the rest of the territory necessary to hold until active operations can again be resumed west of the river. According to your last return this would give you a force of over thirty thousand effective men with which to move against Mobile. To this I expect to add five thousand men from Missouri. If, however, you think the force here stated too small to hold the territory regarded as necessary to hold possession of, I would say, concentrate at least twenty-five thousand men of your present command for operations against Mobile. With these and such additions as I can give you from elsewhere, lose no time in making a demonstration, to be followed by an attack upon Mobile. Two or more iron-clads will be ordered to report to Admiral Farragut. This gives him a strong naval fleet with which to coöperate. You can make your own arrangements with the Admiral for his coöperation, and select your own line of approach. My own idea of the matter is that Pascagoula should be your base, but, from your long service in the Gulf Department, you will know best about the matter. It is intended that your movements shall coöperate with movements elsewhere, and you cannot now start too soon. All I would now add is, that you commence the concentration of your forces at once. Preserve a profound secrecy of what you intend doing, and start at the earliest possible moment.

U. S. GRANT, Lieut.-Gen.

Major-Gen. N. P. Banks.

INSTRUCTIONS TO GEN. MEADE.

Maj.-Gen. Meade was instructed that Lee's army would be his objective point; that wherever Lee went he would go also. For his movement two plans presented themselves: One to cross the Rapidan below Lee, moving by his right flank; the other above, moving by his left. Each presented advantages over the other, with corresponding objections. By crossing above, Lee would be cut off from all chance of ignoring Richmond or going North on a raid. But if we took this route all we did would have to be done whilst the rations we started with held out; besides, it separated us from Butler, so that he could not be directed how to coöperate. If we took the other route, Brandy Station could be used as a base of supplies until another was secured on the York or James Rivers. Of these, however, it was decided to take the lower route.

INSTRUCTIONS TO GEN. BUTLER.

The following letter of instruction was addressed to Maj.-Gen. B. F. Butler:

FORT MONROE, Va., April 2, 1864.

GENERAL: In the Spring campaign, which it is desirable shall commence at as early a day as practicable, it is proposed to have coöperative action of all the armies in the field, as far as this object can be accomplished.

It will not be possible to unite our armies into two or three large ones to act as so many units, owing to the absolute necessity of holding on to the territory already taken from the enemy. But, generally speaking, concentration can be practically effected by armies moving to the interior of the enemy's country from the territory they have to guard. By such movement they interpose themselves between the enemy and the country to be guarded, thereby reducing the number necessary to guard important points, or at least occupy the attention of a part of the enemy's force, if no greater object is gained. Lee's army and Richmond being the greater objects toward which our attention must be directed in the next campaign, it is desirable to unite all the force we can against them. The necessity of covering Washington with the Army of the Potomac, and of covering your department with your army, makes it impossible to unite these forces at the beginning of any move. I propose, therefore, what comes nearest this of anything that seems practicable: The Army of the Potomac will act from its present base, Lee's army being the objective point. You will collect all the forces from your command that can be spared from garrison duty, I should say not less than twenty thousand effective men—to operate on the south side of James River, Richmond being your objective point. To the force you already have will be added about ten thousand men from South Carolina, under Maj.-Gen. Gillmore, who will command them in person. Maj.-Gen. W. F. Smith is ordered to report to you, to command the troops sent into the field from your own department.

Gen. Gillmore will be ordered to report to you at Fortress Monroe, with all the troops on transports, by the 18th instant, or as soon thereafter as practicable. Should you not receive notice by that time to move, you will make such disposition of them and your other forces as you may deem best calculated to deceive the enemy as to the real move to be made.

When you are notified to move, take City Point with as much force as possible. Fortify, or rather entrench, at once, and concentrate all your troops for the field there as rapidly as you can. From City Point directions cannot be given at this time for your further movements.

The fact that has already been stated—that is, that Richmond is to be your objective point, and that there is to be coöperation between your force and the Army of the Potomac—must be your guide. This indicates the necessity of your holding close to the south bank of the James River as you advance. Then, should the enemy be forced into his intrenchments in Richmond, the Army of the Potomac would follow, and by means of transports the two armies would become a unit.

All the minor details of your advance are left entirely to your direction. If, however, you think it practicable to use your cavalry south of you so as to cut the railroad about Hick's Ford about the time of the general advance, it would be of immense advantage.

You will please forward for my information at the earliest practicable day, all orders, details and instructions you may give for the execution of this order.

U. S. GRANT, Lieut.-Gen.

Major-Gen. B. F. Butler.

On the 16th, these instructions were substantially reiterated. On the 19th, in order to secure full coöperation between his army and that of Gen. Meade, he was informed that I expected him to move from Fort Monroe the same day that Gen. Meade moved from Culpepper. The exact time I was to telegraph him as soon as it was fixed, and that it would not be earlier than the 27th of April; that it was my intention to fight Lee between Culpepper and Richmond if he would stand. Should he, however, fall back into Richmond, I would follow up and make a junction with his (Gen. Butler's) army on the James River; that, could I be certain he would be able to invest Richmond on the south side, so as to have his left resting on the James above the city, I would form the junction there; that circumstances might make this course advisable any how; that he should use every exertion to secure footing as far up the south side of the river as he could, and as soon as possible after the receipt of orders to move; that if he could not carry the city he should at least detain as large a force as possible.

In coöperation with the main movements against Lee and Johnston, I was desirous of using all other troops necessarily kept in departments remote from the fields of immediate operations, and also those kept in the background for the protection of our extended lines between the loyal States and the armies operating against them.

THE SHENANDOAH VALLEY.

A very considerable force, under command of Maj.-Gen. Sigel was so held for the protection of West Virginia and the frontiers of Maryland and Pennsylvania. Whilst these troops could not be withdrawn to distant fields without exposing the north to invasion by comparatively small bodies of the enemy, they could act directly to their front and give better protection than if lying idle in garrison. By such movement they would either compel the enemy to detach largely for the protection of his supplies and lines of communication or he would lose them.

Gen. Sigel was therefore directed to organize all his available force into two expeditions, to move from Beverly and Charleston, under command of Gens. Ord and Crook, against the East Tennessee and Virginia Railroad. Subsequently, Gen. Ord having been relieved at his own request, Gen. Sigel was instructed, at his own suggestion, to give up the expedition by Beverly, and to form two columns, one under Gen. Crook, on the Kanawha, numbering about ten thousand men, and one on the Shenandoah, numbering about seven thousand men. The one on the Shenandoah to assemble between Cumberland and the Shenandoah, and the infantry and artillery advanced to Cedar Creek, with such cavalry as could be made available at the moment, to threaten the enemy in the Shenandoah Valley, and advance as far as possible; while Gen. Crook would take possession of Lewisburgh with part of his force, and move down the Tennessee Railroad, doing as much damage as he could, destroying the New River bridge and the salt works at Saltville, Va.

Owing to the weather and bad condition of the roads, operations were delayed until the 1st of May, when, everything being in readiness, and the roads favorable, orders were given for a general movement of all the armies not later than the 4th of May.

GEN. BUTLER'S ATTEMPT UPON RICHMOND.

My first object being to break the military power of the rebellion, and capture the enemy's important strongholds, made me desirous that Gen. Butler should succeed in his movement against Richmond, as that would tend more than anything else, unless it were the capture of Lee's army, to accomplish this desired result in the East. If he failed, it was my determination, by hard fighting, either to compel Lee to retreat, or so to cripple him that he could not detach a large force to go north, and still retain enough for the defence of Richmond. It was well understood, by both Gens. Butler and Meade, before starting on the campaign, that it was my intention to put both their armies south of the James River, in case of failure to destroy Lee without it.

Before giving Gen. Butler his instructions, I visited him at Fort Monroe, and in conversation pointed out the apparent importance of getting possession of Petersburgh and destroying railroad communication as far south as possible. Believing, however, in the practicability of capturing Richmond unless it was reinforced, I made that the objective point of his operations. As the army of the Potomac was to move simultaneously with him, Lee could not detach from his army with safety, and the enemy did not have troops elsewhere to bring to the defence of the city in time to meet a rapid movement from the north of James River.

HIGH COMPLIMENT TO GEN. MEADE.

I may here state that, commanding all the armies as I did, I tried, as far as possible, to leave Gen. Meade in independent command of the army of the Potomac. My instructions for that army were all through him, and were general in their nature, leaving all the details and the execution to him. The campaigns that followed proved him to be the right man in the right place. His commanding always in the presence of an officer superior to him in rank, has drawn from him much of that public attention that his zeal and ability entitle him to, and which he would otherwise have received.

BEGINNING OF THE GREAT MOVEMENT AND THE BATTLES WITH LEE.

The movement of the army of the Potomac commenced early on the morning of the 4th of May, under the immediate direction and orders of Major-Gen. Meade, pursuant to instructions. Before night the whole army was across the Rapidan, (the Fifth and Sixth Corps crossing at Germania Ford, and the Second in advance) with the greater part of its trains, numbering about four thousand wagons, meeting with but slight opposition. The average distance traveled by the troops that day was about twelve miles. This I regarded as a great success, and it removed from my mind the most serious apprehensions I had entertained, that of crossing the river in the face of an active, large, well-appointed and ably-commanded army, and how so large a train was to be carried through a hostile country and protected. Early on the 5th, the advance corps (the Fifth, Major-Gen. G. K. Warren, commanding,) met and engaged the enemy outside his intrenchments near Mine Run. The battle raged furiously all day, the whole army being brought into the fight as fast as the corps could be got upon the field, which, considering the density of the forest and narrowness of the roads was done with commendable promptness.

Gen. Burnside, with the Ninth Corps, was, at the time the Army of the Potomac moved, left with the bulk of his corps at the crossing of the Rappahannock River and Alexandria Railroad, holding the road back to Bull Run, with instructions not to move until he received notice that a crossing of the Rapidan was secured, but to move promptly as soon as such notice was received. This crossing he was apprised of on the afternoon of the 4th. By 6 o'clock of the morning of the 6th he was leading his corps into action near the Wilderness Tavern, some of his troops having marched a distance of over thirty miles, crossing both the Rappahannock and Rapidan Rivers. Considering that a large proportion, probably two-thirds of his command, was composed of new troops, unaccustomed to marches and carrying the accoutrements of a soldier, this was a remarkable march.

The battle of the Wilderness was renewed by us at 5 o'clock on the morning of the 6th, and continued with unabated fury until darkness set in, each army holding substantially the same position that they had on the evening of the 5th. After dark the enemy made a feeble attempt to turn our right flank, capturing several hundred prisoners and creating considerable confusion. But the promptness of Gen. Sedgwick, who was personally present and commanded that part of our line, soon reformed it and restored order. On the morning of the 7th reconnoissances showed that the enemy had fallen behind his intrenched lines, with pickets to the front, covering a part of the battle-field. From this it was evident to my mind that the two days' fighting had satisfied him of his inability to further maintain the contest in the open field, notwithstanding his advantage of position, and that he would wait an attack behind his works. I therefore determined to push on and put my whole force between him and Richmond; and orders were at once issued for a movement by his right flank. On the night of the 7th, the march was commenced toward Spottsylvania Court-house, the Fifth Corps moving on the most direct road. But the enemy having become apprised of our movement, and having the shorter line, was enabled to reach there first. On the 8th, Gen. Warren met a force of the enemy which had been sent out to oppose and delay his advance, to gain time to fortify the line taken up at Spottsylvania. This force was steadily driven back on the main force, within the recently constructed works, after considerable fighting, resulting in severe loss to both sides. On the morning of the 9th, Gen. Sheridan started on a raid against the enemy's lines of communication with Richmond. The 9th, 10th and 11th were spent in maneuvering and fighting, without decisive results. Among the killed on the 9th, was that able and distinguished soldier, Maj.-Gen. John Sedgwick, commanding the Sixth Army Corps. Maj.-Gen. H. G. Wright succeeded him in command. Early on the morning of the 12th, a general attack was made on the enemy in position. The Second Corps, Maj.-Gen. Hancock commanding, carried a salient of his line, capturing most of Johnston's division of Ewell's corps and twenty pieces of artillery. But the resistance was so obstinate that the advantage gained did not prove decisive. The 13th, 14th, 15th, 16th, 17th and 18th were consumed in maneuvering and awaiting the arrival of reinforcements from Washington. Deeming it impracticable to make any further attack upon the enemy at Spottsylvania Court-house, orders were issued on the 18th with a view to a movement to the North Anna, to commence at 12 o'clock on the night of the 19th. Late in the afternoon of the 19th, Ewell's corps came out of its works on our extreme right flank; but the attack was promptly repulsed, with heavy loss. This delayed the movement to the North Anna until the night of the 21st, when it was commenced. But the enemy again having the shorter line, and being in possession of the main roads, was enabled to reach the North Ann in advance of us, and took position behind it. The Fifth Corps reached the North Anna on the afternoon of the 23d, closely followed by the Sixth Corps. The Second and Ninth Corps got up about the same time, the Second holding the railroad bridge, and the Ninth lying between that and Jericho Ford. Gen. Warren effected a crossing the same afternoon, and got a position without much opposition. Soon after getting into position he was violently attacked, but repulsed the enemy with great slaughter. On the 25th, Gen. Sheridan rejoined the Army of the Potomac from the raid on which he started from Spottsylvania, having destroyed the depots at Beaver Dam and Ashland Stations, four trains of cars, large supplies of rations and many miles of railroad-track; recaptured about four hundred of our men, on their way to Richmond as prisoners of war; met and defeated the enemy's cavalry at Yellow Tavern; carried the first line of works around Richmond; (but finding the second line too strong to be carried by assault,) recrossed to the north bank of the Chickahominy at Meadow's Bridge, under heavy fire, and moved by a detour to Haxall's Landing, on the James River, where he communicated with Gen. Butler. This raid had the effect of drawing off the whole of the enemy's cavalry force, and making it comparatively easy to guard our trains.

GEN. BUTLER'S CO-OPERATION—FIGHT AT DRURY'S BLUFF.

Gen. Butler moved his main force up the James River, in pursuance of instructions, on the 4th of May, Gen. Gillmore having joined him with the Tenth Corps. At the same time he sent a force of 1,800 cavalry, by way of West Point, to form a junction with him wherever he might get a foothold, and a force of 3,000 cavalry, under Gen. Kautz, from Suffolk, to operate against the roads south of Petersburgh and Richmond. On the 5th he occupied, without opposition, both City Point and Bermuda Hundred, his movement being a complete surprise. On the 6th he was in position with his main army, and commenced retrenching. On the 7th he made a reconnoissance against the Petersburgh and Richmond Railroad, destroying a portion of it after some fighting. On the 9th he telegraphed as follows:

HEADQUARTERS NEAR BERMUDA LANDING,
May 9, 1864.

Our operations may be summed up in a few words. With 1,700 cavalry we have advanced up the Peninsula, forced the Chickahominy, and have safely brought them to our present position. These were colored cavalry, and are now holding our advanced pickets toward Richmond.

Gen. Kautz, with 3,000 cavalry from Suffolk, on the same day with our movement up James River, forced the Blackwater, burned the railroad bridge at Stony Creek, below Petersburgh, cutting in two Beauregard's force at that point.

We have landed here, intrenched ourselves, destroyed many miles of railroad, and got a position which with proper supplies we can hold against the whole of Lee's army. I have ordered up the supplies.

Beauregard, with a large portion of his force, was left south by the cutting of the railroads by Kautz. That portion which reached Petersburgh under Hill I have whipped to-day, killing and wounding many and taking many prisoners, after a severe and well-contested fight.

Gen. Grant will not be troubled with any further reinforcements to Lee from Beauregard's force.

BENJAMIN F. BUTLER, Major-General.

Hon. E. M. Stanton, Secretary of War.

On the evening of the 13th and morning of the 14th he carried a portion of the enemy's first line of defences at Drury's Bluff, or Fort Darling, with small loss. The time thus consumed from the 6th lost to us the benefit of the surprise and capture of Richmond and Petersburgh, enabling, as it did, Beauregard to collect his loose forces in North and South Carolina and bring them to the defence of those places. On the 16th the enemy attacked Gen. Butler in his position in front of Drury's Bluff. He was forced back, or drew back, into his intrenchments between the forks of the James and Appomattox rivers, the enemy intrenching strongly in his front, thus covering his railroads, the city, and all that was valuable to him. His army, therefore, though in a position of great security, was as completely shut off from further operations directly against Richmond as if it had been in a bottle strongly corked. It required but a comparatively small force of the enemy to hold it there.

KAUTZ' CAVALRY RAID.

On the 12th Gen. Kautz with his cavalry was started on a raid against the Danville Railroad, which he struck at Coalfield, Powhatan, and Chola Stations, destroying them, the railroad track, two freight trains, and one locomotive, together with large quantities of commissary and other stores; thence crossing to the South Side road, struck it at Wilson's, Wellsville, and Black and White Stations, destroying the road and station-houses; thence he proceeded to City Point, which he reached on the 18th.

CAPTURE OF PLYMOUTH.

On the 19th of April, and prior to the movement of Gen. Butler, the enemy, with a land force under Gen. Hoke and an iron-clad ram, attacked Plymouth, N. C., commanded by Gen. H. W. Wessels, and our gunboats there, and after severe fighting the place was carried by assault and the entire garrison and armament captured. The gunboat *Smithfield* was sunk and the *Miami* disabled.

THE NINTH CORPS GO TO HELP MEADE.

The army sent to operate against Richmond having hermetically sealed itself up at Bermuda Hundred, the enemy was enabled to bring the most if not all the reinforcements brought from the South by Beauregard against the Army of the Potomac. In addition to this reinforcement, a very considerable one, probably not less than 15,000 men, was obtained by calling in the scattered troops under Breckinridge from the western part of Virginia.

The position at Bermuda Hundred was as easy to defend as it was difficult to operate from against the enemy. I determined, therefore, to bring from it all available forces, leaving enough only to secure what had been gained, and accordingly, on the 22d, I directed that they be sent forward, under command of Maj.-Gen. W. F. Smith, to join the Army of the Potomac.

On the 24th of May, the Ninth Army Corps, commanded by Maj.-Gen. A. E. Burnside, was assigned to the Army of the Potomac, and from this time forward constituted a portion of Maj.-Gen. Meade's command.

OPERATIONS ABOVE RICHMOND.

Finding the enemy's position on the North Anna stronger than either of his previous ones, I withdrew on the night of the 26th to the north bank of the North Anna, and moved via Hanovertown to turn the enemy's position by his right.

Gens. Torbert's and Merritt's divisions of cavalry, under Sheridan, and the Sixth Corps led the advance; crossed the Pamunky River at Hanovertown after considerable fighting, and on the 28th the two divisions of cavalry had a severe but successful engagement with the enemy at Haw's shop. On the 29th and 30th we advanced, with heavy skirmishing, to the Hanover Court-house and Cold Harbor road, and developed the enemy's position north of the Chickahominy. Late on the evening of the last day the enemy came out and attacked our left, but was repulsed with very considerable loss. An attack was immediately ordered by Gen. Meade along his whole line, which resulted in driving the enemy from a part of his intrenched skirmish line.

On the 31st Gen. Wilson's division of cavalry destroyed the railroad bridges over the South Anna River, after defeating the enemy's cavalry. Gen. Sheridan, on the same day, reached Cold Harbor, and held it until relieved by the Sixth Corps and Gen. Smith's command, which had just arrived, via White House, from Gen. Butler's army.

On the 1st day of June an attack was made at 5 P. M. by the Sixth Corps and the troops under Gen. Smith, the other corps being held in readiness to advance on the receipt of orders. This resulted in our carrying and holding the enemy's first line of works in front of the right of the Sixth Corps and in front of Gen. Smith. During the attack the enemy made repeated assaults on each of the corps not engaged in the main attack, but were repulsed with heavy loss in every instance. That night he made several assaults to regain what he had lost in the day, but failed. The 2d was spent in getting troops into position for an attack on the 3d. On the 3d of June we again assaulted the enemy's works, in the hope of driving him from his position. In this attempt our loss was heavy, while that of the enemy, I have reason to believe, was comparatively light. It was the only general attack made from the Rapidan to the James which did not inflict upon the enemy losses to compensate for our own losses. I would not be understood as saying that all previous attacks resulted in victories to our arms, or accomplished as much as I had hoped from them; but they inflicted upon the enemy severe losses, which tended, in the end, to the complete overthrow of the rebellion.

From the proximity of the enemy to his defences around Richmond, it was impossible by any flank movement to interpose between him and the city. I was still in a condition to either move by his left flank and invest Richmond from the north side, or continue my move by his right flank to the south side of the James. While the former might have been better as a covering for Washington, yet a full survey of all the ground satisfied me that it would be impracticable to hold a line north and east of Richmond that would protect the Fredericksburgh Railroad—a long, vulnerable line, which would exhaust much of our strength to guard, and that would have to be protected to supply the army, and would leave open to the enemy all his lines of communication on the south side of the James. My idea, from the start, had been to beat Lee's army north of Richmond, if possible. Then, after destroying his lines of communication north of the James River, to transfer the army to the south side, and besiege Lee in Richmond, or follow him south if he should retreat. After the battle of the Wilderness it was evident, that the enemy deemed it of the first importance to run no risks with the army he then had. He acted purely on the defensive behind breastworks, or feebly on the offensive immediately in front of them, and where, in case of repulse, he could easily retire behind them. Without a greater sacrifice of life than I was willing to make, all could not be accomplished that I had designed north of Richmond. I therefore determined to continue to hold substantially the ground we then occupied, taking advantage of any favorable circumstances that might present themselves, until the cavalry could be sent to Charlottsville and Gordonsville, to effectually break up the railroad connexion between Richmond and the Shenandoah Valley and Lynchburgh; and, when the cavalry got well off, to move the army to the south side of the James River, by the enemy's right flank, where I felt I could cut off all his sources of supply except by the canal.

SHERIDAN'S RAID TOWARD LYNCHBURGH.

On the 7th two divisions of cavalry, under Gen. Sheridan, got off on the expedition against the Virginia Central Railroad, with instructions to Hunter, whom I hoped he would meet near Charlottsville, to join his forces to Sheridan's, and, after the work laid out for them was thoroughly done, to join the Army of the Potomac by the route laid down in Sheridan's instructions.

FIRST ATTEMPTS ON PETERSBURGH.

On the 10th of June Gen. Butler sent a force of infantry, under Gen. Gillmore, and cavalry, under Gen. Kautz, to capture Petersburgh, if possible, and destroy the railroad and common bridges across the Appomattox. The cavalry carried the works on the south side and penetrated well in toward the town, but were forced to retire. Gen. Gillmore, finding the works which he approached very strong, and deeming an assault impracticable, returned to Bermuda Hundred without attempting one.

Attaching great importance to the possession of Petersburgh, I sent back to Bermuda Hundred and City Point Gen. Smith's command, by water via the White House, to reach there in advance of the Army of the Potomac. This was for the express purpose of securing Petersburgh before the enemy, becoming aware of our intention, could reinforce the place.

THE COLD HARBOR MOVEMENT.

The movement from Cold Harbor commenced after dark on the evening of the 12th; one division of cavalry, under Gen. Wilson, and the Fifth Corps, crossed the Chickahominy at Long Bridge and moved out to White Oak Swamp, to cover the crossings of the other corps. The advance corps reached James River, at Wilcox's Landing and Charles City Court-house, on the night of the 13th.

MAGNITUDE AND DIFFICULTIES OF THE MARCH TOWARD RICHMOND.

During three long years the Armies of the Potomac and Northern Virginia had been confronting each other. In that time they had fought more desperate battles than it probably ever before fell to the lot of two armies to fight, without materially changing the vantage-ground of either. The Southern press and people, with more shrewdness than was displayed in the North, finding that they had failed to capture Washington and march on to New-York, as they had boasted they would do, assumed that they only defended their capital and Southern territory. Hence, Antietam, Gettysburgh, and all the other battles that had been fought, were by them set down as failures on our part, and victories for them. Their army believed this. It produced a morale which could only be overcome by desperate and continuous hard fighting. The battles of the Wilderness, Spottsylvania, North Anna and Cold Harbor, bloody and terrible as they were on our side, were even more damaging to the enemy, and so crippled him as to make him wary ever after of taking the offensive. His losses in men were probably not so great, owing to the fact that we were, save in the Wilderness, almost invariably the attacking party; and when he did attack it was in the open field. The details of these battles, which for endurance and bravery on the part of the soldiery have rarely been surpassed, are given in the report of Maj.-Gen. Meade, and the subordinate reports accompanying it.

During the campaign of 43 days, from the Rapidan to James River, the army had to be supplied from an ever-shifting base, by wagons, over narrow roads, through a densely-wooded country, with a lack of wharves at each new base from which to conveniently discharge vessels. Too much credit cannot, therefore, be awarded to the Quartermaster and Commissary Departments for the zeal and efficiency displayed by them. Under the general supervision of the Chief Quartermaster, Brigadier-Gen. R. Ingalls, the trains were made to occupy all the available roads between the army and our water base, and but little difficulty was experienced in protecting them.

THE SHENANDOAH—SIGEL SUPERSEDED BY HUNTER.

The movement of the Kanawha and Shenandoah Valleys, under Gen. Sigel, commenced on the 1st of May. Gen. Crook, who had the immediate command of the Kanawha expedition, divided his forces into two columns, giving one, composed of cavalry, to Gen. Averill. They crossed the mountains by separate routes. Averill struck the Tennessee and Virginia Railroad, near Wytheville, on the 10th, and proceeding to New River and Christiansburgh, destroyed the road, several important bridges and depots, including New River bridge, forming a junction with Crook at Union on the 15th. Gen. Sigel moved up the Shenandoah Valley, met the enemy at New-Market on the 15th, and, after a severe engagement, was defeated with heavy loss, and retired behind Cedar Creek. Not regarding the operations of Gen. Sigel as satisfactory, I asked his removal from command, and Major-Gen. Hunter was appointed to supersede him. His instructions were embraced in the following dispatches to Major-Gen. H. W. Halleck, Chief of Staff of the army:

"NEAR SPOTTSYLVANIA COURT-HOUSE, Va.,
May 20, 1864.

* * * * * * *

The enemy are evidently relying for supplies greatly on such as are brought over the branch road running through Staunton. On the whole, therefore, I think it would be better for Gen. Hunter to move in that direction; reach Staunton and Gordonsville, or Charlottesville, if he does not meet too much opposition. If he can hold at bay a force equal to his own, he will be doing good service. * * * * *

U. S. GRANT, Lieutenant-General.

Major-Gen. H. W. Halleck.

JERICHO FORD, Va., May 25, 1864.

If Hunter can possibly get to Charlottesville and Lynchburgh, he should do so, living on the country. The railroads and canal should be destroyed beyond possibility of repairs for weeks. Completing this, he could find his way back to his original base, or from about Gordonsville join this army.

U. S. GRANT, Lieutenant-General.

Major-Gen. H. W. Halleck.

HUNTER'S PUSH TOWARD LYNCHBURGH.

Gen. Hunter immediately took up the offensive, and moving up the Shenandoah Valley, met the enemy on the 5th of June at Piedmont, and after a battle of ten hours routed and defeated him, capturing on the field of battle 1,500 men, 3 pieces of artillery, and 300 stand of small-arms. On the 8th of the same month he formed a junction with Crook and Averill at Staunton, from which place he moved direct on Lynchburgh, via Lexington, which place he reached and invested on the 16th day of June. Up to this time he was very successful, and but for the difficulty of taking with him sufficient ordnance stores over so long a march, through a hostile country, he would no doubt have captured that, to the enemy, important point. The destruction of the enemy's supplies and manufactures was very great. To meet this movement under Gen. Hunter, Gen. Lee sent a force, perhaps equal to a corps, a part of which reached Lynchburgh a short time before Hunter. After some skirmishing on the 17th and 18th, Gen. Hunter, owing to a want of ammunition to give battle, retired from before the place. Unfortunately, this want of ammunition left him no choice of route for his return but by way of Kanawha. This lost to us the use of his troops for several weeks from the defence of the North.

Had Gen. Hunter moved by way of Charlottesville, instead of Lexington, as his instructions contemplated, he would have been in a position to have covered the Shenandoah Valley against the enemy, should the force he met have seemed to endanger it. If it did not he would have been within easy distance of the James River Canal, on the main line of communication between Lynchburgh and the force sent for its defence. I have never taken exception to the operations of Gen. Hunter, and I am not now disposed to find fault with him, for I have no doubt he acted within what he conceived to be the spirit of his instructions and the interests of the service. The promptitude of his movements and his gallantry should entitle him to the commendation of his country.

MEADE'S ARMY CROSSES THE JAMES RIVER.

To return to the Army of the Potomac: The Second Corps commenced crossing the James River on the morning of the 14th by ferry-boats at Wilcox's Landing. The laying of the pontoon bridge was completed about midnight of the 14th, and the crossing of the balance of the army was rapidly pushed forward by both bridge and ferry.

THE FIRST VICTORIES BEFORE PETERSBURGH.

After the crossing had commenced, I proceeded by a steamer to Bermuda Hundreds to give the necessary orders for the immediate capture of Petersburgh.

The instructions to Gen. Butler were verbal, and were for him to send Gen. Smith immediately, that night, with all the troops he could give him without sacrificing the position he then held. I told him that I would return at once to the Army of the Potomac, hasten its crossing, and throw it forward to Petersburgh by divisions as rapidly as it could be done; that we could reinforce our armies more rapidly there than the enemy could bring troops against us. Gen. Smith got off as directed, and confronted the enemy's pickets near Petersburgh before daylight next morning, but for some reason, that I have never been able to satisfactorily understand, did not get ready to assault his main lines until near sundown. Then, with a part of his command only, he made the assault, and carried the lines northeast of Petersburgh from the Appomattox River, for a distance of over two and a half miles, capturing fifteen pieces of artillery and three hundred prisoners. This was about 7 P. M. Between the line thus captured and Petersburgh there were no other works, and there was no evidence that the enemy had reinforced Petersburgh with a single brigade from any source. The night was clear—the moon shining brightly—and favorable to further operations. Gen. Hancock, with two divisions of the Second Corps, reached Gen. Smith just after dark, and offered the service of these troops as he (Smith) might wish, waiving rank to the named commander, who he naturally supposed knew best the position of affairs, and what to do with the troops. But instead of taking these troops, and pushing at once into Petersburgh, he requested Gen. Hancock to relieve a part of his line in the captured works, which was done before midnight.

By the time I arrived the next morning the enemy was in force. An attack was ordered to be made at 6 o'clock that evening by the troops under Smith and the Second and Ninth Corps. It required until that time for the Ninth Corps to get up and into position. The attack was made as ordered, and the fighting continued with but little intermission until 6 o'clock the next morning, and resulted in our carrying the advance and some of the main works of the enemy to the right (our left) of those previously captured by Gen. Smith, several pieces of artillery, and over four hundred prisoners.

The Fifth Corps having got up, the attacks were renewed and persisted in with great vigor on the 17th and 18th, but only resulted in forcing the enemy to an interior line from which he could not be dislodged. The advantages in position gained by us were very great. The army then proceeded to envelop Petersburgh toward the Southside Railroad, as far as possible, without attacking fortifications.

BUTLER'S ATTEMPT TO CUT THE RICHMOND RAILROAD.

On the 6th the enemy, to reinforce Petersburgh, withdrew from a part of his intrenchment in front of Bermuda Hundreds, expecting, no doubt, to get troops from north of the James to take the place of those withdrawn before we could discover it. Gen. Butler, taking advantage of this, at once moved a force on the railroad between Petersburgh and Richmond. As soon as I was apprised of the advantage thus gained, to retain it I ordered two divisions of the Sixth Corps, Gen. Wright commanding, that were embarking at Wilcox's Landing, under orders for City Point, to report to Gen. Butler, at Bermuda Hundreds, of which Gen. Butler was notified, and the importance of holding a position in advance of his present line urged upon him.

About 2 o'clock in the afternoon Gen. Butler was forced back to the line the enemy had withdrawn from in the morning. Gen. Wright, with his two divisions, joined Gen. Butler in the forenoon of the 17th, the latter still holding with a strong picket line the enemy's works. But instead of putting these divisions into the enemy's works to hold them, he permitted them to halt and rest some distance in the rear of his own line. Between 4 and 5 o'clock in the afternoon the enemy attacked and drove in his pickets and reoccupied his old line.

On the night of the 20th and morning of the 21st a lodgment was effected by Gen. Butler, with one brigade of infantry, on the north bank of the James, at Deep Bottom, and connected the pontoon bridge with Bermuda Hundreds.

RESULT OF SHERIDAN'S RAID.

On the 19th Gen. Sheridan, on his return from his expedition against the Virginia Central Railroad, arrived at the White House just as the enemy's cavalry was about to attack it, and compelled it to retire. The result of this expedition was, that Gen. Sheridan met the enemy's cavalry near Trevillian Station on the morning of the 11th of June, whom he attacked, and after an obstinate contest drove from the field in complete rout. He left his dead and nearly all his wounded in our hands, and about four hundred prisoners and several hundred horses. On the 12th he destroyed the railroad from Trevillian Station to Louisa Court-house. This occupied until 3 o'clock, P. M., when he advanced in the direction of Gordonsville. He found the enemy reinforced by infantry, behind well-constructed rifle-pits, about five miles from the latter place, and too strong to successfully assault. On the extreme right, however, his reserve brigade carried the enemy's works twice, and was twice driven therefrom by infantry. Night closed the contest. Not having sufficient ammunition to continue the engagement, and his animals being without forage (the country furnishing but inferior grazing,) and hearing nothing from Gen. Hunter, he withdrew his command to the north side of the North Anna, and commenced his return march, reaching White House at the time before stated. After breaking up the depot at that place he moved to the James River, which he reached safely after heavy fighting. He commenced crossing on the 25th, near Fort Powhatan, without further molestation, and rejoined the Army of the Potomac.

THE RAID OF WILSON AND KAUTZ ON THE WELDON AND DANVILLE ROADS.

On the 22d Gen. Wilson, with his own division of cavalry of the Army of the Potomac, and Gen. Kautz' division of cavalry of the Army of the James, moved against the enemy's railroads south of Richmond. Striking the Weldon Railroad at Ream's Station, destroying the depot and several miles of the road and the Southside road about fifteen miles from Petersburgh, to near Nottoway Station, where he met and defeated a force of the enemy's cavalry, he reached Burksville Station on the afternoon of the 23d, and from there destroyed the Danville Railroad to Roanoke Bridge, a distance of twenty-five miles, where he found the enemy in force, and in a position from which he could not dislodge him. He then commenced his return march, and on the 28th met the enemy's cavalry in force at the Weldon Railroad crossing of Stony Creek, where he had a severe but not decisive engagement. Thence he made a detour from his left, with a view of reaching Ream's Station, (supposing it to be in our possession.) At this place he was met by the enemy's cavalry, supported by infantry, and forced to retire, with the loss of his artillery and trains. In this last encounter Gen. Kautz, with a part of his command, became separated, and made his way into our lines. Gen. Wilson, with the remainder of his force, succeeded in crossing the Nottoway River and coming in safely on our left and rear. The damage to the enemy in this expedition more than compensated for the losses we sustained. It severed all connexion by railroad with Richmond for several weeks.

OPERATIONS ON THE NORTH SIDE OF JAMES RIVER.

With a view of cutting the enemy's railroad from near Richmond to the Anna River and making him wary of the situation of his army in the Shenandoah, and, in the event of failure in this, to take advantage of his necessary withdrawal of troops from Petersburgh, to explode a mine that had been prepared in front of the Ninth Corps and assault the enemy's lines at that place, on the night of the 26th of July the Second Corps and two divisions of the cavalry corps and Kautz' cavalry were crossed to the north bank of the James River and joined the force Gen. Butler had there. On the 27th the enemy was driven from his entrenched position, with the loss of four pieces of artillery. On the 28th our lines were extended from Deep Bottom to New Market Road, but in getting this position were attacked by the enemy in heavy force. The fighting lasted for several hours, resulting in considerable loss to both sides. The first object of this move having failed, by reason of the very large force thrown there by the enemy, I determined to take advantage of the diversion made, by assaulting Petersburgh before he could get his force back there. One division of the Second Corps was withdrawn on the night of the 28th, and moved during the night to the rear of the Eighteenth Corps, to relieve that corps in the line, that it might be foot loose in the assault to be made. The other two divisions of the Second Corps and Sheridan's cavalry were crossed over on the night of the 29th, and moved in front of Petersburgh. On the morning of the 30th, between 4 and 5 o'clock, the mine was sprung, blowing up a battery and most of a regiment, and the advance of the assaulting column, formed of the Ninth Corps, immediately took possession of the crater made by the explosion, and the line for some distance to the right and left of it, and a detached line in front of it, but for some cause failed to advance promptly to the ridge beyond. Had they done this, I had every reason to believe that Petersburgh would have fallen. Other troops were immediately pushed forward, but the time consumed in getting them up enabled the enemy to rally from his surprise (which had been complete) and get forces to this point for its defence. The captured line thus held being untenable, and of no advantage to us, the troops were withdrawn, but not without heavy loss. Thus terminated in disaster what promised to be the most successful assault of the campaign.

WEST VIRGINIA AND THE SHENANDOAH VALLEY.

Immediately upon the enemy's ascertaining that Gen. Hunter was retreating from Lynchburgh by way of the Kanawha River, thus laying the Shenandoah Valley open for raids into Maryland and Pennsylvania, he returned northward, and moved down that valley. As soon as this movement of the enemy was ascertained, Gen. Hunter, who had reached the Kanawha River, was directed to move his troops without delay, by river and railroad, to Harper's Ferry; but owing to the difficulty of navigation by reason of low water and breaks in the railroad, great delay was experienced in getting there. It became necessary, therefore, to find other troops to check this movement of the enemy. For this purpose the Sixth Corps was taken from the armies operating against Richmond, to which was added the Nineteenth Corps, then fortunately beginning to arrive in Hampton Roads from the Gulf Department, under orders issued immediately after the ascertainment of the result of the Red River expedition. The garrisons of Baltimore and Washington were at this time made up of heavy artillery regiments, hundred days' men, and detachments from the Invalid Corps. One division under command of Gen. Ricketts, of the Sixth Corps, was sent to Baltimore, and the remaining two divisions of the Sixth Corps, under Gen. Wright, were subsequently sent to Washington. On the 3d of July the enemy approached Martinsburgh; Gen. Sigel, who was in command of our forces there, retreated across the Potomac at Shepardstown; and Gen. Weber, commanding at Harper's Ferry, crossed the river and occupied Maryland Heights. On the 6th the enemy occupied Hagerstown, moving a strong column toward Frederick City. Gen. Wallace with Ricketts' division and his own command, the latter mostly new and undisciplined troops, pushed out from Baltimore with great promptness, and met the enemy in force on the Monocacy, near the crossing of the railroad bridge. His force was not sufficient to insure success, but he fought the enemy, nevertheless, and although it resulted in a defeat to our arms, yet it detained the enemy, and thereby served to enable Gen. Wright to reach Washington with two divisions of the Sixth Corps, and the advance of the Nineteenth Corps, before him. From Monocacy the enemy moved on Washington, his cavalry advance reaching Rockville on the evening of the 10th. On the 12th a reconnoissance was thrown out in front of Fort Stevens, to ascertain the enemy's position and force. A severe skirmish ensued, in which we lost about 280 in killed and wounded. The enemy's loss was probably greater. He commenced retreating during the night. Learning the exact condition of affairs at Washington, I requested, by telegraph, at 11:45 P. M., on the 12th, the assignment of Maj.-Gen. H. G. Wright to the command of all the troops that could be made available to operate in the field against the enemy, and directed that he should get outside of the trenches with all the force he could, and push Early to the last moment. Gen. Wright commenced the pursuit on the 13th; on the 18th the enemy was overtaken at Snicker's Ferry, on the Shenandoah, when a sharp skirmish occurred; and on the 20th Gen. Averill encountered and defeated a portion of the rebel army at Winchester, capturing four pieces of artillery and several hundred prisoners.

Learning that Early was retreating south toward Lynchburgh or Richmond, I directed that the Sixth and Nineteenth Corps be got back to the armies operating against Richmond, so that they might be used in a movement against Lee before the return of the troops sent by him into the valley; and that Hunter should remain in the Shenandoah Valley, keeping between any force of the enemy and Washington, acting on the defensive as much as possible. I felt that if the enemy had any notion of returning, the fact would be developed before the Sixth and Nineteenth Corps could leave Washington. Subsequently the Nineteenth Corps was excepted from the order to return to the James.

EARLY'S LAST RAID TOWARD MARYLAND.

About the 25th it became evident that the enemy was again advancing upon Maryland and Pennsylvania, and the Sixth Corps, then at Washington, was ordered back to the vicinity of Harper's Ferry. The rebel force moved down the valley, and sent a raiding party into Pennsylvania, which on the 30th burned Chambersburgh and then retreated, pursued by our cavalry, toward Cumberland. They were met and defeated by Gen. Kelly, and with diminished numbers escaped into the mountains of West Virginia. From the time of the first raid the telegraph wires were frequently down between Washington and City Point, making it necessary to transmit messages a part of the way by boat. It took from twenty-four to thirty-six hours to get dispatches through and return answers back; so that often orders would be given, and then information would be received showing a different state of facts from those on which they were based, causing a confusion and apparent contradiction of orders that must have considerably embarrassed those who had to execute them, and rendered operations against the enemy less effective than they otherwise would have been. To remedy this evil, it was evident to my mind that some person should have the supreme command of all the forces in the Departments of West Virginia, Washington, Susquehanna and the Middle Department, and I so recommended.

On the 2d of August, I ordered Gen. Sheridan to report in person to Major-Gen. Halleck, Chief of Staff, at Washington, with a view to his assignment to the command of all the forces against Early. At this time, the enemy was concentrated in the neighborhood of Winchester, whilst our forces, under Gen. Hunter, were concentrated on the Monocacy, at the crossing of the Baltimore and Ohio Railroad, leaving open to the enemy Western Maryland and Southern Pennsylvania. From where I was, I hesitated to give positive orders for the movement of our forces at Monocacy, lest by so doing I should expose Washington. Therefore, on the 4th, I left City Point to visit Hunter's command, and determine for myself what was best to be done. On arrival there, and after consultation with Gen. Hunter, I issued to him the following instructions:

MONOCACY BRIDGE, Md., Aug. 5, 1864—8 P. M.

GENERAL: Concentrate all your available force without delay in the vicinity of Harper's Ferry, leaving only such railroad guards and garrisons for public property as may be necessary. Use, in this concentrating, the railroads, if by so doing time can be saved. From Harper's Ferry, if it is found that the enemy has moved north of the Potomac in large force, push north, following him and attacking him wherever found; follow him if driven south of the Potomac, as long as it is safe to do so. If it is ascertained that the enemy has but a small force north of the Potomac, then push south with the main force, detaching under a competent commander a sufficient force to look after the raiders and drive them to their homes. In detaching such a force, the brigade of cavalry now en route from Washington via Rockwell may be taken into account.

There are now on their way to join you three other brigades of the best cavalry, numbering at least 5,000 men and horses. These will be instructed, in the absence of further orders, to join you by the south side of the Potomac. One brigade will probably start to-morrow. In pushing up the Shenandoah Valley, where it is expected you will have to go first or last, it is desirable that nothing should be left to invite the enemy to return. Take all provisions, forage and stock wanted for the use of your command; such as cannot be consumed, destroy. It is not desirable that the buildings should be destroyed—they should rather be protected—but the people should be informed that so long as an army can subsist among them recurrences of these raids must be expected, and we are determined to stop them at all hazards.

Bear in mind the object is to drive the enemy south and to do this you want to keep him always in sight. Be guided in your course by the course he takes.

Make your own arrangements for supplies of all kinds giving regular vouchers for such as may be taken from loyal citizens in the country through which you march.

U. S. GRANT, Lieutenant-General.

Major-Gen. D. Hunter.

The troops were immediately put in motion, and the advance reached Halltown that night.

Gen. Hunter having, in our conversation, expressed a willingness to be relieved from command, I telegraphed to have Gen. Sheridan, then at Washington, sent to Harper's Ferry by the morning train, with orders to take general command of all the troops in the field, and to call on Gen. Hunter at Monocacy, who would turn over to him my letter of instructions. I remained at Monocacy until Gen. Sheridan arrived on the morning of the 6th, and, after a conference with him in relation to military affairs in that vicinity, I returned to City Point by way of Washington.

On the 7th of August the Middle Department and the departments of West Virginia, Washington, and Susquehanna were constituted into the "middle military division," and Maj.-Gen. Sheridan was assigned to temporary command of the same.

Two divisions of cavalry, commanded by Gens. Torbert and Wilson, were sent to Sheridan from the Army of the Potomac. The first reached him at Harper's Ferry about the 11th of August.

His operations during the month of August and the fore part of September were both of an offensive and defensive character, resulting in many severe skirmishes, principally by the cavalry, in which we were generally successful, but no general engagement took place. The two armies lay in such a position—the enemy on the west bank of the Opequan Creek covering Winchester, and our forces in front of Berrysville—that either could bring on a battle at any time. Defeat to us would lay open to the enemy the States of Maryland and Pennsylvania for long distances before another army could be interposed to check him. Under these circumstances, I hesitated about allowing the initiative to be taken. Finally, the use of the Baltimore and Ohio Railroad and the Chesapeake and Ohio Canal, which were both obstructed by the enemy, became so indispensably necessary to us, and the importance of relieving Pennsylvania and Maryland from continuously threatened invasion so great, that I determined the risk should be taken. But fearing to telegraph the order for an attack without knowing more than I did of Gen. Sheridan's feelings as to what would be the probable result, I left City Point on the 15th of September to visit him at his headquarters, to decide, after conference with him, what should be done. I met him at Charleston, and he pointed out so distinctly how each army lay; what he could do the moment he was authorized, and expressed such confidence of success, that I saw there were but two words of instructions necessary—Go in! For the convenience of forage, the teams for supplying the army were kept at Harper's Ferry. I asked him if he could get out his teams and supplies in time to make an attack on the ensuing Tuesday morning. His reply was, that he could before daylight on Monday. He was off promptly to time, and I may here add that the result was such that I have never since deemed it necessary to visit Gen. Sheridan before giving him orders.

SHERIDAN'S GREAT VICTORY.

Early on the morning of the 19th Gen. Sheridan attacked Gen. Early at the crossing on Opequan Creek, and after a most sanguinary and bloody battle, lasting until 5 o'clock in the evening, defeated him with heavy loss, carrying his entire position from Opequan Creek to Winchester, capturing several thousand prisoners and five pieces of artillery. The enemy rallied and made a stand in a strong position at Fisher's Hill, where he was attacked and again defeated on the 20th. Sheridan pursued him with great energy through Harrisonburg, Staunton, and the gaps of the Blue Ridge. After stripping the upper valley of most of the supplies and provisions for the rebel army, he returned to Strasburg and took position on the north side of Cedar Creek.

Having received considerable reinforcements, Gen. Early again returned to the valley, and on the 9th of October his cavalry encountered ours near Strasburg, where the rebels were defeated with the loss of eleven pieces of artillery and 350 prisoners. On the night of the 18th the enemy crossed the mountains which separated the branches of the Shenandoah, forded the north fork, and early on the morning of the 19th, under cover of the darkness and the fog, surprised and turned our left flank, captured the batteries which enfiladed our whole line. Our troops fell back with heavy loss and in much confusion, but were finally rallied between Middletown and Newtown. At this juncture Gen. Sheridan, who was at Winchester when the battle commenced, arrived on the field, arranged his lines just in time to repulse a heavy attack of the enemy, and immediately assuming the offensive, he attacked in turn with great vigor. The enemy was defeated with great slaughter and the loss of most of his artillery and trains and the trophies he had captured in the morning. The wreck of his army escaped during the night, and fled in the direction of Staunton and Lynchburg. Pursuit was made to Mount Jackson. Thus ended this, the enemy's last attempt to invade the North, via the Shenandoah Valley. I was now enabled to return the Sixth Corps to the Army of the Potomac, and to send one division from Sheridan's army to the Army of the James, and another to Savannah, Georgia, to hold Sherman's new acquisitions on the sea-coast, and thus enable him to move without detaching from his force for that purpose.

Reports from various sources led me to believe that the enemy had detached three divisions from Petersburg to reënforce Early in the Shenandoah Valley. I therefore sent the Second Corps and Gregg's division of cavalry, of the Army of the Potomac, and a force of Gen. Butler's army, on the night of the 13th of August, to threaten Richmond from the north side of the James, to prevent him from sending troops away, and, if possible, to draw back those sent. In this move we captured six pieces of artillery and several hundred prisoners, detained troops that were under marching orders, and ascertained that but one division, (Kershaw's) of the three reputed detached, had gone.

AFFAIRS AROUND PETERSBURGH.

The enemy having withdrawn heavily from Petersburgh to resist this movement, the Fifth Corps, Gen. Warren commanding, was moved out on the 18th and took possession of the Weldon Railroad. During the day we had considerable fighting. To regain possession of the road, the enemy made repeated and desperate assaults, but was each time repulsed with great loss. On the night of the 20th the troops on the north side of the James were withdrawn, and Hancock and Gregg returned to the front of Petersburgh. On the 25th the Second Corps and Gregg's division of cavalry, while at Ream's Station destroying the railroad, were attacked, and after desperate fighting, a part of our line gave way, and five pieces of artillery fell into the hands of the enemy.

By the 12th of September a branch railroad was completed from the City Point and Petersburgh Railroad to the Weldon Railroad, enabling us to supply, without difficulty, in all weather, the army in front of Petersburgh.

The extension of our lines across the Weldon Railroad compelled the enemy to so extend his that it seemed he could have but few troops north of the James for the defence of Richmond. On the night of the 28th the Tenth Corps, Major-Gen. Birney, and the Eighteenth Corps, Major-Gen. Ord commanding, of Gen. Butler's army, were crossed to the north side of the James, and advanced on the morning of the 29th, carrying the very strong fortifications and intrenchments below Chapin's Farm, known as Fort Harrison, capturing fifteen pieces of artillery, and the Newmarket road and intrenchments. This success was followed up by a gallant assault upon Fort Gillmore, immediately in front of the Chapin Farm fortifications, in which we were repulsed with heavy loss. Kautz's cavalry was pushed forward on the road to the right of this, supported by infantry, and reached the enemy's inner line, but was unable to get further. The position captured from the enemy was so threatening to Richmond that I determined to hold it. The enemy made several desperate attempts to dislodge us, all of which were unsuccessful, and for which he paid dearly. On the morning of the 30th Gen. Meade sent out a reconnoissance, with a view to attacking the enemy's line if it was found sufficiently weakened by withdrawal of troops to the north side. In this reconnoissance we captured and held the enemy's works near Poplar Spring Church. In the afternoon troops moving to get to the left of the point gained were attacked by the enemy in heavy force, and compelled to fall back until supported by the forces holding the captured works. Our cavalry under Gregg was also attacked, but repulsed the enemy with great loss.

On the 7th of October the enemy attacked Kautz' cavalry north of the James, and drove it back with heavy loss in killed, wounded and prisoners, and the loss of all the artillery, eight or nine pieces. This he followed up by an attack on our intrenched infantry line, but was repulsed with severe slaughter. On the 13th a reconnoissance was sent out by Gen. Butler, with a view to drive the enemy from some new works he was constructing, which resulted in very heavy loss to us.

On the 27th the Army of the Potomac, leaving only sufficient men to hold its fortified line, moved by the enemy's right flank. The Second Corps, followed by two divisions of the Fifth Corps, with the cavalry in advance and covering our left flank, forced a passage of Hatcher's Run, and moved up the south side of it toward the Southside railroad, until the Second Corps and part of the cavalry reached the Boydtown plank-road, where it crosses Hatcher's Run. At this point we were six miles distant from the Southside railroad, which I had by this movement to reach and hold. But

(Continued on Sixth Page.)

The New-York Times.

NEW-YORK, WEDNESDAY, DEC. 6, 1865.

Amusements this Evening.

ACADEMY OF MUSIC.
14th-st., corner of Irving-place.
THIS EVENING, Dec. 6, commencing at 7¾ o'clock, L'AFRICANE: Characters by Mme. Carozzi Zucchi, Mlle. Ortolani, Signor Mazzoleni, Signor Bellini, Signor Antonucci, Signor Lorini, Signor Barili, Herr Reichardt. Conductor, Carl Bergmann.

ARTISTS' FUND SOCIETY.
4th-av. and 23d-st.
THIS DAY AND EVENING—Sixth Annual Exhibition of PAINTINGS and STATUARY of the Society.

DERBY ART GALLERY.
Broadway, between Houston and Bleecker sts.
THIS DAY AND EVENING—Huntington's REPUBLICAN COURT, or, Mrs. Washington's Reception Day.

NIBLO'S GARDEN.
Broadway, between Prince and Houston sts.
THIS EVENING, Dec. 6, commencing at 7¾ o'clock, ARRAH-NA-POGUE: Characters by J. H. Glenny, Messrs. Burnett, Nunan, Ralton, Blaisdell, Holmes; Misses Agnes Perry, Mary Wells, and others.

WALLACK'S THEATRE.
Broadway, corner 13th-st.
THIS EVENING, Dec. 6, commencing at 8 o'clock, LOST IN LONDON: Characters by Messrs. J. W. Wallack, Charles Fisher, Young, J. C. Williamson, Browne, Pope, Graham and Ward, Misses Madeline Henriques, Fanny Morant, Mary Barrett and Green.

OLYMPIC THEATRE.
Broadway, between Houston and Bleecker sts.
THIS EVENING, Dec. 6, commencing at 7¾ o'clock, MONTE CRISTO: Characters by Messrs. E. L. Davenport, Morton, Bland, Garrison, Lewis, Stoddard, Selwyn, Rockwell, Scott, Stanley; Misses Eliza Newton, Louisa Myers and Kate Newton.

WINTER GARDEN.
Broadway, between Bleecker and Amity sts.
THIS EVENING, Dec. 6, commencing at 8 o'clock, The OCTOROON; or, Life in Louisiana: Characters by Messrs. J. S. Clarke, Chas. Walcot, Jr., John Dyott, J. G. Hanley, Andrews, Bland, Miss Rose Eytinge, Mrs. C. Walcot, Kate Morton, Miss Andrews and others.

BROADWAY THEATRE.
Broadway, between Grand and Broome-sts.
THIS EVENING, Dec. 6, commencing at 7¾ o'clock, SAM: Principal characters by Messrs. Chanfrau, Parsloe, and others; and Miss Olive Logan.

NEW BOWERY THEATRE.
Bowery, between Canal and Hester sts.
THIS EVENING, Dec. 6, commencing at 7¼ o'clock, ROBIN HOOD, the TARTAR HORDE, and that BLESSED BABY: Characters by Messrs. Grisdale, Brookes, Thompson, G. W. Lingard, Mrs. Jones, Miss Hyatt and the company.

FOX'S OLD BOWERY THEATRE.
Bowery, between Bayard and Canal sts.
THIS EVENING, Dec. 6, commencing at 7½ o'clock, SINBAD THE SAILOR: Characters by Mr. G. L. Fox, Miss Fanny Herring, and the entire company. Previous to which a capital drama by Messrs. Whalley, Mestayer, Marden, and Miss Denvil.

BARNUM'S NEW MUSEUM.
Broadway, between Spring and Prince sts.
THIS AFTERNOON, Dec. 6, at 3 o'clock, and THIS EVENING at 7¼ o'clock, THE TRIALS OF LIFE: Characters by Messrs. Daly, Hadaway, Jamieson, Wilton, Anderson, Mrs. Prior and Mrs. Jamieson. CIRCUS and the Living Curiosities.

NEW-YORK CIRCUS AND HIPPOTHEATRON.
14th-st., opposite the Academy of Music.
THIS EVENING, Dec. 6, commencing at 8 o'clock, JAMES ROBINSON and a complete troupe of Equestrian and Gymnastic Performers.

WOOD'S MINSTRELS.
Broadway, between Broome and Spring sts.
THIS EVENING, Dec. 6, commencing at 8 o'clock. ETHIOPIAN MINSTRELSY and a FAIR FENIAN FIGHT FOR FREEDOM by the company.

BRYANT'S MINSTRELS.
Broadway, between Grand and Broome sts.
THIS EVENING, Dec. 6, commencing at 7¾ o'clock, Bryant's NEW STUMP SPEECH, THE PAWNBROKERS, and a variety of Ethiopian performances.

TEMPLE OF MUSIC.
Corner of Grand and Crosby-sts.
THIS EVENING, Dec. 6, commencing at 7¾ o'clock, THORPE AND OVERIN'S MINSTREL NATIONALITIES.

THE WEEKLY TIMES.

A Four-Page Supplement, Containing the Reports of the Departments.

As Thanksgiving Day occurs to-morrow, the WEEKLY TIMES will be issued to-day.

Beside the President's Message, it will contain, in a four-page supplementary sheet, the reports of the various departments, with Lieut.-Gen. GRANT's masterly summary of military operations.

NEWS OF THE DAY.

CONGRESS.

In the Senate yesterday, a message was received from the House, announcing the passage of a joint resolution for a special committee of fifteen on the subject of the rebellious States. A resolution to take the matter up was laid over. A bill for the survey and sale of the mineral lands of the United States was introduced by Mr. SHERMAN, of Ohio. The credentials of Messrs. SHARKEY and ALCORAN, of Mississippi, were presented, and laid on the table. Mr. DOOLITTLE introduced a bill in relation to the qualification of jurors in trials for treason, &c. Mr. MORRILL introduced a bill repealing all laws in force in the District of Columbia which make distinctions on account of color. The President's Message was read about 1:30. Five thousand copies were ordered printed.

In the House the members proceeded to the selection of seats. Mr. RAYMOND presented the memorial of Mr. DODGE, contesting the seat of JAMES BROOKS. It was referred to the Committee on Elections. Mr. DODGE was subsequently admitted to the privileges of the floor. Rev. Mr. BOYNTON was elected Chaplain. Mr. SCHENCK introduced a joint resolution for an amendment to the constitution. A resolution was adopted inquiring into the expediency of abolishing the office of Provost-Marshal-General. A resolution against repudiating the public debt was passed with but one dissenting vote. The President's Message was read, and referred to the Committee of the Whole on the State of the Union. A resolution was adopted appointing a committee to report on some token of respect to the memory of the late President LINCOLN.

FROM EUROPE.

The *City of New-York*, from Liverpool Nov. 22 and Queenstown Nov. 23, reached this city last night. The pirate *Shenandoah* left Liverpool for New-York on the 21st ult. It is stated that the British Government will address a strong remonstrance to Spain against her proceedings towards Chili. Earl RUSSELL is said to be engaged in the readjustment of the Ministry. Pigeon-House Fort, commanding Dublin Bay, has been largely reinforced, in consequence, it is said, of the appearance of suspicious vessels in the channel. All the guards have been doubled and the guns double-shotted, and the men were held under arms all night. The Continental news is not important.

GENERAL NEWS.

The President, in a dispatch addressed to Gov. PERRY, of South Carolina, under date of the 27th ult., suggests to the Congressional members elect, as the wisest policy, not to present their credentials until after the organization of the two Houses. He declines to predict what action will be taken in deciding the qualifications of membership. The President adds the hope that the Legislature will adopt a freedmen's code that shall be just to all classes and acceptable to the country.

Lieut.-Gen. GRANT arrived in Charleston on the 1st inst., and was received with much enthusiasm. The colored population were very demonstrative, and in the evening formed a procession, with banners, music and fireworks, and paid their respects to the General, who expressed his grateful acknowledgments in his accustomed sign language, which was gracefully translated into English by Maj.-Gen. SICKLES. The merchants and citizens of the city united in tendering Gen. GRANT with an invitation to a public dinner, which he was obliged to decline, as he was to leave the city on Sunday morning. He, however, dined more privately with Provisional Governor PERRY and Gov. ORR, after a two hours' public handshaking at Gen. SICKLES' headquarters.

Later advices from Hayti confirm the report that the rebellion was at an end. The triumph of the government had been celebrated with the usual festivities. The following persons, who had taken refuge in the house of the British Consul, were seized and shot: E. PRADERE, Col. BARIE, Gens. DEBORDE, DONAS, LAMIAERE and PAPIN, and Mr. LECORPS. Dr. DEVAUGHNS, a well-known French subject, was robbed and murdered by the rebels. Senator BOX was also assassinated and beheaded. Gen. ANDRUS surrendered, with 500 men, to the government.

The Nashville *Press* publishes a statement from an army officer in West Tennessee, to the effect that the loyal citizens of that part of the State are very apprehensive of raids from the rebel sympathisers of the adjoining counties of Mississippi. They quite outnumber the Union men, and boldly threaten to pillage and drive them from that section. They already make frequent sallies through the plantations, carrying off every negro they can lay hands upon. Gov. BROWNLOW has been applied to for authority to raise a cavalry force sufficient for their protection.

The news from Havana is to the 29th ult. Gen. DULCE has received an official acknowledgment from Lord [illegible] for his exertions in suppressing the slave-trade, especially in the capture of the two cargoes landed on the southwestern side of the island in September last. The cholera in Guadaloupe and Martinique has been very fatal. Havana is full of strangers; places of amusement are crowded, and the health of the city is excellent. The arrival of GRAU's opera troupe is looked for with much interest.

H. G. HUBBELL, the missing Cashier of the Missisquoi Bank, at Sheldon, Vermont, has been traced as far as Chicago, where he was seen by acquaintances Nov. 15. He left there, ostensibly, for Detroit. He is supposed to be deranged.

The steamer *City of Bath*, before reported ashore in Tarpaulin Cove, was towed off yesterday. She is kept free by pumping one-third of the time, and will shortly proceed to Boston.

A mail-bag that left New-York on Sunday night for Cleveland was stolen in the depot there on Monday night.

LOCAL NEWS.

A destructive fire occurred early yesterday morning, about 4 o'clock, at Pier No. 13 North River, by which the steamer *Weybosset*, of the Star line, running for Savannah, was partially burned, and 130 bales of cotton considerably damaged, together with a general cargo. The fire is supposed to have originated spontaneously among some cotton stowed away in the forward hold, which had not yet been disturbed. The firemen were on the ground at an early hour, and succeeded in filling the hold with water and sinking the vessel to the guards. The damage to the steamer is estimated at $15,000, and the loss on the cargo will not fall far below $50,000. The vessel was principally owned by E. NIGHTINGALE, of Providence, and GEO. GREENMAN & Co., of Mystic, Conn. The loss of the former is fully met by insurance. Messrs. GREENMAN & Co. had no insurance upon their shares.

Officer HARRIS, of the Twenty-seventh Precinct, arrested WILLIAM PICKETT, of No. 1 Morris-street, who is charged with having stabbed with a knife MARTIN CAHILL, residing at No. 25 Washington-street, and THOMAS CAHILL, brother of MARTIN. On being taken before Justice DOWLING, the prisoner was required to give bail in $1,000 to answer each complaint.

CHARLES MERCIER, who was arrested at Carlisle Barracks, Penn., a few days since, on suspicion of being implicated in the Otero murder in Brooklyn, was yesterday discharged from custody. The King's County Grand Jury could find no evidence against him.

Hon. MOSES F. ODELL, Naval Storekeeper of the Port of New-York, has been confined for some days to his residence, No. 87 Orange-street, Brooklyn, in consequence of an affection of the throat. His condition is not considered critical.

Gold 148⅜ yesterday. Money 7 ℔ cent. Exchange on London 109¼. Government stocks firm in prices and active in demand. The railways improved in the forenoon, but dull at close of the day. The public documents were not printed in season for regular 'Change hours.

The Custom-house returns of the domestic exports of the week show a total value of $5,618,019. The list includes 10,561 bales of cotton to Liverpool, and 195 bales to Bremen.

At the Live Stock Market this week the supply of animals has been larger than usual. This, together with the plentiness of poultry, and the supply of meat still on the books, has produced a general depression in trade. Beef cattle were in large supply, of fair quality, and sold at last week's rates, except good to extra grades, which brought about ½c. ℔ lb. more than at that time. Milch Cows are more abundant and sell at $40@$120 each, according to quality. Veal Calves of prime quality bring 13c.@14c. ℔ lb., live weight. Bobs as low as 6c. Sheep and Lambs have glutted the market. Old Sheep stood at 7c.@8c. ℔ lb. live weight; Lambs, 8c.@9c. Live Hogs are overrunning demand at 10c.@10¾c. ℔ lb., live weight. This is a reduction of 25 ℔ cent. the past month.

In order to present in full the Message, the War Report, Gen. GRANT's most interesting history of the Close of the War, and the highly important Report of the Secretary of the Treasury, we have been compelled to draw largely upon our advertising columns, postponing fully two pages of that interesting department of our paper. The overshadowing importance of the documents printed will, we trust, be sufficient apology for this temporary invasion of reserved rights.

The President's Message.

Probably no Executive document was ever awaited with greater interest than the Message transmitted to Congress yesterday. It is safe to say that none ever gave greater satisfaction when received. Its views, on the most momentous subjects, domestic and foreign, that ever concerned the nation, are full of wisdom, and are conveyed with great force and dignity.

In regard to *reconstruction*, the President begins by defining with great clearness the mutual relations of the constitution and the States. He shows that each is vital to the other, and that the theory that States can be extinguished would be fatal to the constitution. The military rule over the insurrectionary States was an exceptional condition, imposed by necessity, and is to be terminated just as soon as those States can be brought again into a harmonious working with the National Government. For this end the government has diligently labored, and with such success, as the President believes, that now nothing remains to be done by the late erring States but the ratification of the Constitutional Amendment forever prohibiting slavery, as a pledge of perpetual loyalty and peace. It will then be for Congress to consummate the restoration by admitting the Southern Senators and Representatives who, in its high judgment, possess the necessary qualifications.

In regard to *punishment for treason*, the President urges the adoption of measures for the early resumption of all the functions of the Circuit Courts in the South, so as to secure impartial trials, and vindicate the principle that treason is a crime to be punished, and forever settle that no State has power to relieve its citizens of their obligations to the Union.

In regard to the *freedmen*, the President declares that the constitution gives the general government no power to prescribe the qualifications of the electors in the various States; yet he is free to recognize in the broadest terms its duty, in good faith, to take care that the freedmen should be secure in their liberty and their property, and their right to labor and a just return for their labor.

The President sets forth the unjust conduct of England in the war with great point, and yet with an entire avoidance of all calculated to irritate. His manner of treating it can hardly fail to rouse a feeling of shame in every manly British bosom. He advises no unfriendly resorts to obtain redress, but to wait patiently for the recognition of justice.

In respect to the foreign establishment of monarchy in Mexico, the President contents himself with affirming that the system of non-interference and mutual abstinence from propagandism is the true rule for the two hemispheres. He avoids all language having any appearance of menace, and believes that our principles have a moral force that must soon command acceptance. The correspondence between France on the subject, it is mentioned, will be laid before Congress "at the proper time."

The Message closes with a brief but very impressive retrospect of the way in which our institutions have vindicated themselves from their first establishment, and with a recognition of the wonderful manner in which Providence has protected and magnified the nation. The whole document is one of which every American may well be proud, for its elevation of tone, its practical wisdom and its quiet exhibition of the national strength and glory. It will be admired not only at home, but cannot fail of making a most favorable impression all over the civilized world.

The Treasury Report.

Mr. MCCULLOCH has given to the country an able paper on the national finances. He writes and reasons like a sound, thoroughbred merchant, and comprehends the great width and future bearing of his subject with statesmanlike sagacity. It seems to be his cardinal rule of office, and he has been singularly fortunate in preserving its consistency against conflicting counsels from within and without, to do nothing rash or improvident, and to attempt nothing impracticable. He made few professions of economy, and gave utterance to no boast of ability to control or consolidate, or reduce at any very early day, the magnitude of our public debt, on coming into administration last March. The war had not then ended, though looking to the end. And when the rebellion collapsed in April, his embarrassments were rather increased than diminished. He suddenly found himself called on to raise in a few months six hundred millions of dollars beyond the regularly authorized loans for the fiscal year then drawing to a close; in other words, to exhaust the entire authority for the new fiscal year before it had fairly set in. He gave himself quietly, but earnestly, to the work; and while the country was expecting a maximum debt of at least three thousand millions, he announces, without ostentation, first, a maximum in August of only $2,750,000,000, and soon after its gradual reduction month by month to $2,712,000,000. To be sure, he was favored, after his earlier trials on the disbanding and prompt payment of our immense volunteer armies, with large taxes, as well as large customs. But he gave his earnest attention to the collection of the former, and to the best and most profitable application of the latter. He now submits, with his usual candor, that he may yet want $112,000,000,000 in excess of his probable receipts to the close of the present fiscal year; but taking the experience of the past few months as an index, it is quite clear that he will suffer no such sum to be added to the present total of the debt. And it is almost equally certain that his surplus of $111,000,000,000 for the succeeding fiscal year, will fall within the results of customs and taxation for that year, now that we have every reasonable assurance that our foreign trade and political relations cannot be seriously compromised by either of the pending questions that were by some of our merchants and financial people supposed, before the Message of the President was delivered yesterday, to threaten the suspension of diplomatic intercourse, if not war itself.

On the question of the currency his report is true to his Fort Wayne text. He would not habituate the country to a depreciated circulation. He would not have the people mistake or exaggerate the real value of our present activity of trade, or the dangers to the future of mercantile as well as public credit, from the excitements of speculation, so far as either have grown out or continue to be sustained by a redundant currency. He is equally decided in favor of withdrawing, as time and the circumstances of the country and of his own finances will admit, the withdrawal of the compound and greenback legal tenders. He would not have the Treasury a great bank of direct issue one moment longer than we can return to the specie standard and substitute a specie-paying National Bank circulation for the amplest wants of the country under the change of system. But in all this he keeps in view the practical, stubborn facts, that "the process of contraction cannot be injuriously rapid," and that "neither the amount of reduction, nor the time that will be required to bring up the currency to the specie standard, can now be estimated with any degree of certainty." He would first establish the policy of contraction, and leave it to gradually accommodate itself to the business of the country, "without a shock to trade, and without a diminution of the public resources or of productive industry."

In this connexion, his first recommendation is prospective, looking to the withdrawal of all the compound legal tenders on their maturity, two or three years hence, 1867-68, by enacting that after that time they shall cease to be legal tender. In the meantime he would have the discretionary authority to negotiate gold-bearing loans to fund both compound and greenback United States notes. Of the latter he expresses the "opinion that not more than one hundred or at most two hundred millions need be withdrawn, in addition to the compounds, before the desired result of the specie standard would be attained.

Our space this morning will permit us to notice, and that briefly, only one other of the important points of the report. On the National Banking system he favors central redemptions and the liberal distribution of its circulation to the South. The latter he thinks may be done out of the present $300,000,000 authorized, but should an increase be necessary, it can be provided hereafter. He doubts whether a larger paper circulation than this will be required as the business of the country returns to a healthy basis.

Military History—Reports of Secretary Stanton and Gen. Grant.

Every intelligent citizen will at once elaborate and epitomise the principles and facts in the two masterly military reports of the Secretary of War and the Lieutenant-General commanding our armies. Whoever has not time to peruse them this morning, or in the busy hours of the day, should do so before the arrival of another sun, or, in any event, should on no account fail to do so as soon as an hour or two of leisure can be had. For, through these documents, the patriotic American will not only obtain a consciousness of national power, and of the genius that has been displayed in the conduct of our warlike affairs, but he will have placed before him grounds of faith in our free institutions and of hope in our future, that will enable him to regard with dignified composure and fearless spirit, all the perturbations to which our country, in common with all others, is subject.

The Secretary of War opens his report with a quartette of sentences so mighty, so imposing, and so pregnant, that we cannot help quoting them. Says he:

"MR. PRESIDENT: The military appropriations by the last Congress amounted to the sum of five hundred and sixteen millions two hundred and forty thousand one hundred and thirty-one dollars and seventy cents, ($516,240,131 70.) The military estimates for the next fiscal year, after careful revision, amount to thirty-three millions eight hundred and fourteen thousand four hundred and sixty-one dollars and eighty-three cents, ($33,814,461 83.) The national military force on the 1st of May, 1865, numbered one million five hundred and sixteen men. It is proposed to reduce the military establishment to fifty thousand troops, and over eight hundred thousand have already been mustered out of service. What has occasioned this reduction of force and expenditure in the War Department, it is the purpose of this report to explain."

And Secretary STANTON proceeds at length with an explanation of these marvelous facts. He gives an elaborate view of the nationa situation since the date of his last report, and reveals for the first time a vast number of interesting facts and figures which could at no previous time have been properly made public. He frequently diverges from the strict military line, and gives an admirable *résumé* of the various agencies that resulted in the overthrow of the great rebellion, closing with an expression of profound faith in the future stability of the Union.

The report of the Lieutenant-General, though lengthy, is as closely compressed as possible. It is a survey of the entire operations of all our armies, from the date of his appointment to the command thereof until the close of the rebellion by the surrender of all the Confederate forces. The hour the appointment of GRANT to his present high position really marks an era in the history of the war, signalizes the advent of the time when we had at once a grand military policy and grand military successes. He reviews not only the operations of the Army of the Potomac, but of the armies under SHERMAN, THOMAS, HUNTER, BUTLER, the armies west of the Mississippi, the armies on the seaboard, and all the forces doing battle for the Union from the Potomac to the Rio Grande, from the Ohio to the main. It cannot properly be condensed, nor can it here be criticised; but we may say that it is not unworthy of the great soldier who is at once its author and its hero.

The Postal Service.

Not the least satisfactory feature in the Postmaster-General's report, is the announcement it contains that there is a *surplus* of revenue for the year of $861,430—the ratio of increase in revenue being 17 per cent., while that of expenditure was but 8 per cent. This healthy financial exhibit can hardly be maintained after the postal service is thoroughly reëstablished in the Southern States, where the offices have never been self-sustaining. There were formerly 8,902 offices in the seceded States, and of these only 1,051 had been reopened on the 15th ultimo. In view of the reëstablishment of this service, the estimates for the next fiscal year are put as high as $18,678,000, while the revenues of the department are estimated at $17,470,543, leaving a deficiency of $1,207,457. Foreign mail steamship lines running to and from British ports were paid during the year $405,479; and Mr. DENNISON naturally draws attention to the disagreeable fact, that no portion of the postal disbursements of the year have inured to the benefit of American steamship lines on this ocean route. The Postmaster-General does not, however, seem disposed to favor the application of subsidies to vessels on old-established routes. But he thinks the amount accruing from postages would be a liberal compensation to an American line to Europe. The money-order system has made no inconsiderable progress, 419 offices having been opened during the year; and moneys transmitted to the gross amount of $1,360,122, the loss to the department on this large amount of business being only a little over $7,000. We doubt whether the public generally will agree with Mr. DENNISON that the maximum of a single remittance might be increased with safety from $30 to $50. The Postmaster-General, it will be seen, gives a qualified support to the appeal of our merchants for a new Post-office.

Our Naval Service.

Although there is not a little of general interest in that portion of Secretary WELLES' report which details the closing operations of our naval vessels against the insurgents, that part of the Secretary's statement which relates to the reduction of the naval force to a peace footing, and the designation of the different squadrons for foreign service, will engage most public attention. Especial notice is drawn in the report to the reinforcement of the Pacific Squadron early in November by the *Vanderbilt*, the *Tuscarora*, the *Powhatan*, and the iron-clad *Monadnock*. The events now transpiring in Chilian ports make this expedition of more than common account. In active duty on the Pacific coast there will be eleven vessels of all classes. But several more will be laid up in the harbor of San Francisco, to abide any emergency that may arise. The European squadron has an appearance of weakness—looking to the number of vessels which it embraces, and to the extent of its field of operations. There will be but seven vessels—the *Colorado*, *Kearsarge*, *Ticonderoga*, *Frolic*, *Ino*, *Guard*, and (shortly) *Canandaigua*. This fleet will be expected to do duty along the coast of Europe, including both sides of the Mediterranean, Madeira, the Canaries, and along the African coast as far as St. Paul de Loando. The *Shenandoah*, it will be seen, is to be sent back Eastward again, being designated for service with the East India Squadron. The department dwells with justifiable pride on the number of vessels captured and sent to the courts for adjudication during the war. These captures—including every variety of craft—numbered in all 1,151. Of this number, 210 were steamers and 6 were rebel rams and iron-clads. Besides the captures, the number of so-called "neutral" or of hostile vessels destroyed by our fleet during the war was 355. The Secretary compares this with the captures in the war of 1812, which numbered but 291—with 301 vessels in our naval service at the close of the war. The resources of the department available for the year ending June 30, 1866, amount to $142,291,919, which will enable it to reduce the estimates for the next fiscal year to $23,982,457.

The Mayoralty—Yesterday's Election.

Recorder HOFFMAN was yesterday elected to the Mayoralty of the City of New-York. The contest was a close one between him and Mr. ROBERTS, who was defeated by but a few hundred votes.

The so-called "Citizens'" nominee, Mr. HECKER, and the Gunther nominee, Mr. GUNTHER, polled, each of them, but a very small vote, though the Republican ballots cast for HECKER were sufficient to defeat the excellent candidate of the Republican party. Mr. HOFFMAN, as the Tammany nominee polled the great body of the regular Democratic vote, as Mr. ROBERTS polled the great body of the Union vote. Notwithstanding defections, the Republicans displayed great force, vivacity and energy in the election. They worked hard, and, as a consequence, make a show of numbers that is only less gratifying than would have been complete success. The failure of the "Citizens' Association" to make even a respectable appearance, numerically, indicates the inherent political impotence of such ill-constituted bodies, organized for special purposes, in a great city like this; and the result shows that while they are capable of little good in such a line, they possess great powers of mischief.

In Mr. HOFFMAN, however, we have a good and an able man for our Mayor during the next two years. He has in other positions, requiring like abilities, approved his energy, his courage, his honesty, his judgment, his decision and his powers of clear discrimination. We shall be disappointed if, under him, we fail to have reform and honesty in our City Government.

THIRTY-NINTH CONGRESS.

FIRST SESSION.

SENATE....WASHINGTON, Tuesday, Dec. 5.

The Senate met at 12 o'clock, and was called to order by Mr. FOSTER, President pro tem.

A prayer was offered up by the Chaplain, Rev. Dr. GRAY.

ORGANIZATION OF THE HOUSE ANNOUNCED.

A message was received from the House, through the Clerk, Mr. MCPHERSON, announcing the organization of the House, and the appointment of a committee to wait on the President, and inform him of its readiness to receive his message.

THE JOINT COMMITTEE ON SOUTHERN DELEGATIONS.

A message was also received from the House, announcing the passage of a joint resolution for a special committee of fifteen on the subject of the rebellious States, and asking the concurrence of the Senate therein.

Mr. WADE, of Ohio, (Union,) moved to take up the resolution.

Mr. SAULSBURY, of Delaware, (Dem.,) moved to refer it to the Judiciary Committee, when that and other standing committees were announced.

Mr. GRIMES, of Iowa, (Union,) asked for the withdrawal of the pending motion, to enable him to offer an order for the appointment of a committee of two, to act with a committee from the House, in waiting on the President for his message. This was agreed to.

The question then recurred again on the motion of Mr. WADE.

Mr. JOHNSON, of Maryland, (Dem.,) objected to action on the House joint resolution, and it went over under the rules.

THE UNITED STATES MINERAL LANDS.

Mr. SHERMAN, of Ohio, (Union,) introduced a bill for the survey and sale of the mineral lands of the United States, which was ordered to be printed.

The bill leaves the price blank, but provides that actual residents and occupants shall be allowed to purchase the lands at the minimum rate.

CREDENTIALS OF SENATORS ELECT.

Mr. COWAN presented the credentials of WILLIAM L. SHARKEY and JAMES L. ALCORAN, Senators elect from the State of Mississippi.

Mr. COWAN—I am instructed by these gentlemen to offer these credentials without saying anything about them. I therefore ask that they may lie upon the table and wait the further action of this body.

Mr. SUMNER—That's right.

QUALIFICATIONS OF JURORS.

Mr. DOOLITTLE, of Wisconsin, (Union,) introduced a bill in relation to the qualifications of jurors in certain cases; providing that in trials for treason or high misdemeanors committed against the United States by organized military force, no juror shall be adjudged incompetent by reason of having formed or expressed an opinion upon the guilt or innocence of the accused, based upon public rumor, statements in public journals, or the common history of the times, provided he will, notwithstanding, impartially try the accused.

DISTINCTIONS ON ACCOUNT OF COLOR.

Mr. MORRILL, of Maine, (Union,) introduced a bill repealing all laws in force in the District of Columbia which make any distinction on account of color, and prohibiting the authorities of Washington and Georgetown, and the Levy Court of the County of Washington, from enacting in future any law or ordinance that shall not affect alike all persons of whatever race or color.

The section takes similar action respecting the several Territories of the United States. Any officer violating such provision is liable to a fine of $500 and imprisonment for not less than six months nor more than twelve.

RECESS.

The Senate, at 12:30, on motion of Mr. SHERMAN, took a recess till 1 o'clock.

The Senate reassembled at 1 o'clock.

Mr. DOOLITTLE—I understand there has been some delay about the Committee of the House being ready to perform the duty of waiting upon the President. I will, therefore, move that the recess be extended to 2 o'clock.

No objection being made, it was so ordered.

RECEPTION OF THE PRESIDENT'S MESSAGE.

At 2 o'clock the Senate again came to order. At 2:30 o'clock Messrs. GRIMES and WRIGHT, the committee on the part of the Senate to wait on the President, reported that the President would immediately communicate with each House in writing.

Five minutes later the President's Message was received and read by the Secretary of the Senate, JOHN C. FORNEY.

At the conclusion of its reading, on motion of Mr. ANTHONY, five thousand copies of the message and documents were ordered printed.

On motion of Mr. DOOLITTLE, the Senate adjourned at 3:30 P. M.

HOUSE OF REPRESENTATIVES.

SELECTION OF SEATS.

Mr. KASSON, of Iowa, (Union,) offered a resolution that the Clerk forthwith place the name of each member and delegate, written on a separate slip of paper, in a box, and that there be drawn from the box one at a time of the said slips of papers. As each is drawn, the Clerk will announce the name of the member or delegate written thereon, who will then select his seat for the present Session; provided, before the drawing takes place, the Speaker cause every seat to be vacated, and to be kept vacant until selected under this order. If not occupied before the drawing of the names is finished, it shall be deemed vacant. The resolution was agreed to.

The order was then carried into effect.

Mr. STEVENS' name was the first drawn, and as he took the seat heretofore occupied by him, there was much laughter and applause.

THE DELEGATE FROM IDAHO.

FRANCIS THOMAS, of Maryland, and E. D. HOLBROOK, the delegate from Idaho, appeared and qualified.

CONTESTED SEAT.

Mr. RAYMOND presented the memorial of WILLIAM E. DODGE, of New-York, (Union,) contesting the seat of JAMES BROOKS, from the Eighth District of New-York. He moved its reference to the Committee of Elections, when appointed.

Mr. WASHBURNE, of Illinois, (Union,) presented the memorial of A. C. BALDWIN, contesting the seat of R. E. TROWBRIDGE, from the Fifth District of Michigan.

ELECTION OF CHAPLAIN.

On motion of Mr. GRINNELL, the House proceeded to the election of Chaplain, to serve during the present session.

Mr. GISWALD, of New-York, (Union,) nominated Rev. Mr. BOYNTON, a Congregational clergyman, and passed a eulogium on that gentleman's qualifications for the position. Several other reverend gentlemen were also nominated, and a rather spicy debate over their respective merits ensued. The question was decided by the election of Mr. BOYNTON by the following vote:

Whole number of votes, 168; necessary to a choice 85, of which Mr. BOYNTON received, 89; Mr. STOCKTON, 22; Mr. CHAMBERS, 15; Mr. WADAL, 14, and scattering, 28.

Mr. BOYNTON having received the required number of votes was declared elected Chaplain for the present session.

RESOLUTION TO AMEND THE CONSTITUTION.

Mr. SCHENCK, of Ohio, (Union) introduced a joint resolution to amend the constitution so as to apportion representatives according to the number of voters in each State, which was referred to the Committee on the Judiciary when appointed.

A COMMITTEE ON BANKRUPTCY.

On motion of Mr. JENCKS, of Rhode Island, (Union,) a resolution was adopted that a select committee, consisting of nine members, be appointed by the Speaker, to continue during the Thirty-ninth Congress, to take into consideration the subject of a uniform system of bankruptcy, and to whom shall be referred all memorials and other communications on the said subject, with leave to report by bill or otherwise.

PROVOST-MARSHAL-GENERALSHIP.

On motion of Mr. CONKLIN, of New-York, (Union,) a resolution was adopted, instructing the Committee on Military Affairs to inquire whether the office of Provost-Marshal-General cannot be advantageously dispensed with, and the business thereof turned over to some permanent bureau of the War Department.

MR. DODGE ACCORDED THE PRIVILEGE OF THE FLOOR.

Mr. RAYMOND offered a resolution, which was adopted, that WM. E. DODGE, claimant of the seat, occupied by JAMES BROOKS, be entitled to the privilege of the floor, pending the decision of the question.

THE PUBLIC DEBT.

Mr. RANDALL, of Pensylvavia, (Dem.) offered the following resolution:

Resolved, As the sense of the House that the public debt created during the late rebellion, was contracted upon the faith and honor of the nation; that it is sacred and inviolate, and must and ought to be paid, principal and interest, and any attempt to repudiate, or in any manner to impair said debt should be universally discountenanced by the people, and promptly rejected by Congress if proposed.

This resolution was agreed to, yeas 162; nays 1. L. S. TRIMBLE, of Kentucky.

RECEPTION OF THE MESSAGE.

Col. JOHNSON, the Private Secretary of the President, now appeared and announced a Message in writing.

The Message was read in a clear and distinct tone by Mr. MCPHERSON, the Clerk of the House.

On the conclusion of the reading, applause followed from both sides of the hall.

The message was then committed to the Committee of the Whole on the State of the Union.

Mr. WASHBURN, of Illinois, moved that the usual number of copies (nearly 20,000) be printed. Gentlemen on the other side, if they thought proper, could move the printing of a larger number.

Mr. FINK moved that 25,000 extra copies be printed, and Mr. SCHENCK moved 50,000.

This branch of the subject was referred to the Committee on Printing.

THE MEMORY OF PRESIDENT LINCOLN.

Mr. WASHBURNE, of Illinois, following a melancholy precedent, offered a resolution that a committe, consisting of one member from each State, be appointed to join such committee as may be appointed on the part of the Senate, to consider and report what token of respet Congress shall adopt to express the deep sensibility of the nation on the event of the decease of President LINCOLN, and that so much of the message as relates to the melancholy event be referred to the said committee.

The resolution was unanimously adopted.

On motion of Mr. MORRILL, it was

Resolved, That when the House adjourn to-morrow, it be till Monday next.

The House then adjourned.

MONETARY AFFAIRS.

Sales at the Stock Exchange—DEC. 5, 1865.

OPEN BOARD—1 P. M.

200	Canton Co.	46	100	Hud. Riv. R.	109½
100	Cum. Coal ...b3	43¾	100	Reading R.	116¾
100	Schuylkill Coal	11¼	900	Cleve. & Pitts ...c	93½
100	do ...s3	11⅛	200	do	93¼
100	do ...b3	11¾	100	do ...s3	93⅜
200	Mariposa Pref	21¾	100	Chic. & R. I.	107¼
200	do ...b10	21⅞	100	do ...b5	107¼
300	do ...s3	21⅞	2100	Ch. & N. W.	36⅞
100	Quick. Min. Co	48½	600	do ...b3	36¾
100	N. Y. Cen. R ...c	97⅞	100	do ...b3	36⅞
100	do ...s3	97¾	200	do ...b10	36⅞
100	do ...b10	98	200	do	36½
500	Erie Railway ...c	92⅜	300	do ...s3	36¾
100	do	92½	100	Chi. & N. W. Pr ..b3	65¾
2200	Mich. S. & N. I.	76	300	P., Ft. W. & Chi	106½
400	do	76	100	do ...s3	106½
300	do ...b3	75⅞	100	do ...b3	106⅛
800	do	76	100	do ...b3	105⅞
300	do ...b3	76½			

OPEN BOARD, 3½ P. M.

$20,000	O. & M. Cer	28¾	300	Canton Co.	46
2900	Schuylkill Coal ..s3	11¼	200	Hud. Riv. R.	109
1100	do ...s3	11¼	100	do ...s3	109
100	Mariposa Pref	21¾	200	Reading R ...s3	116¼
300	do ...s3	21⅜	200	M. So. & N. I. R	75¾
100	do ...b3	21¾	300	do	75⅝
100	New-York Cen	97¾	100	do ...b3	75¾
200	do	97⅝	100	Chic. & Rk. Is ...b3	107
200	Erie Railroad ...s3	92	200	C. & N. W. Pref. b3	65¾
600	do	92½	100	P., Ft. W. & C	106
200	do ...b3	92⅜	200	Rutland Marble ..s3	15¼

TUESDAY, Dec. 5—P. M.

The Public Documents from Washington were not printed here in season for 'Change hours. Late in the afternoon the general outlines of the Treasury Report were known and canvassed to some extent in Stock circles, and so far as the Secretary's recommendations are supposed to affect immediate speculation in Railways, Miscellaneous Shares, &c., opinions differed about as widely as the interests of *Bull* and *Bear* on the Stock Exchange. That the Report ought to advance the Public Funds of the United States, and that it will, when fully read and digested, reassure the Money market on the points of contraction and expansion, we have no doubt. And the admirable Message of the President of the United States will be found of equal significance in strengthening financial confidence. Its hearty and determined support of the Public Credit; its proud survey of the resources of the country; its earnestness in favor of public economy and enlarged and generous taxation, looking to the rapid liquidation of the Public Debt; its indorsement of the early reduction of the Army to a moderate peace establishment, *to cost less than forty millions a year*, and its entire freedom from anything like a hasty distrust or belligerent attitude, on our Foreign relations, all unite to commend this great document to the respect and warm acceptance of the Merchant, the Banker, and Fundholder, in common with people at large.

The price of Gold was a fraction higher than yesterday, sales at 148½@⅜ ℔ cent. The Exchange on London was advanced to 109¼ ℔ cent., and on Paris to 5 francs 16¼ centimes to the dollar. London left off rather dull at the advance, for the Boston mail. The last California steamer brought in about $600,000 in Gold bars, which will be transhipped for France and England on the steamers of Friday and Saturday next. The Treasury Office received $1,605,120 in Gold on deposit to-day, on the issue of a corresponding amount of Gold-bearing Certificates. There was also paid in $344,000 for Customs. The market for Money was steady at 7 ℔ cent. For Government Stocks the renewed demand of yesterday was continued, both at the Stock Exchange and with the great dealers in Wall-street. The 7-30 ℔ cents are mostly wanted by small investors, and the 6 ℔ cents of 1881 and 10-40 ℔ cents by the buyers of Gold-bearing Stocks.

The Railways were generally firm and some of them advancing in the early part of the day, and a fair amount of business was done in the New-York and Western lines. At the Second Board the market was dull, and later in the afternoon, on Broad-street, the following quotations were made, as compared with Monday. The feeling was inactive.

	Mon.	Tues.		Mon.	Tues.
U. S. 10-40s	90½	90⅝	Northwest	36	36⅛
U. S. 5-20s	101¼	101⅛	N. West Pref	65½	65¾
U. S. 7-30s	97¾	97¼	Rock Island	106⅞	107
N. Y. Central	97⅞	97⅞	Fort Wayne	105⅞	106⅜
Erie	92	92½	Cumb'land Coal	43	43¼
Hudson	108¾	109	Quicksilver	47½	48½
Reading	115⅞	116⅛	Mariposa	15½	15⅛
Mich. Southern	75½	75⅞	Canton	45½	45⅞
Illinois Central	132	132	Ohio Certificates	28¾	28½
Pittsburgh	92¾	93⅛	American Gold	148	148⅜
Prairie du Chien	94	94	Bills on London	109¾	109¼

The following bids were made for the City Bank Shares:

New-York	114	Bank of the Republic	109½
Manhattan	130	Irving	108
Merchants'	120	Metropolitan	120
Mechanics'	110	Shoe and Leather	105
Phenix	98	Corn Exchange	110
Tradesmen's	127	St. Nicholas	99½
Merchants' Exch'ge	101½	Marine	140
State of New-York	110	Commonwealth	103
Mechanics' B'k Ass	100	Manuf's&Merchants'	100
Ocean	99	Central National	103
American Exchange	110	Fourth National	96
Pacific	160	Ninth National	104
Chatham	130		

And the following for the Railway Mortgages:

N. Y. Cen. 6s, 1883	90½	Del. L. & W. 1st M	101
N. Y. Cen. 6s, 1887	91	Del. L. & W. 2d M	101
N. Y. Cen. 7s, 1876	100¼	Tol. & Wab. 1st M	90
N. Y. Cen. 7s, conv. '76	103	Tol. & Wab. 2d M	74
Erie 7s, 4th mort., 1880	94½	Mil. & P. du C. 1st M	103
Erie 7s 5th m., x-d 1888	89	Chi. & R. I. 1st mort	100½
Buf. N. Y. & E. 1st M. '77	90	Cleve. & Pitts. Fund	98
Hud. R. 7s, 1st M. '69	103	N. J. Cen. 2d mort	102½
Hud. R. 7s, 2d M. S. F. '85	103	Pitts., Ft. W. & C. 1st M	102
Hud. R. 7s, conv., '67	90	Pitts., Ft. W. & C. 2 M	94½
Harlem 1st mort. '69-72	95	Pitts., Ft. W. & C. 3d M	85
Harlem 3ds, '68	90	Cleve & Pitts. 2d Mort	90
Mich. Cen. 8 ℔ c., '69-72	110	Cleve. & P. 3d m. con	88
Mich. C. new, 1sts, 8s, '82	110¾	Cleve. & P. 4th mort	75½
Chi., B. & Q. 8 ℔ c. 1sts	112	Chic & Alton S. F.	94
N. Ind. Gosh. Line '68	93	Chi. & Alton 1st M	95½
Mich. S. & N. I. S. F. 7 ℔ c.	93	Chi. & Alton Inc	85
Pac. R. 7's guar'd by Mo.	70	Atl. & Gt. West. 1st M.	96½
Alton & T. H. 2d M. pr.	90	Ohio & Miss. 1st mort	80
Alton & T. H. 2d M. in.	79	Peninsula R. R. Bonds	75
Chi. & N. W. S. F.	90	Mil. & St. Paul 1st M.	84
Chi. & N. W. 1st M.	84	Marietta & C. 1st Mort	85
Han. & St. Jos. L. G.	90	Chic. & Mil. 1st mort	87
Han. & St. Jos. Con	70		

MARRIED.

PATON—FOWLER.—On Tuesday, Nov. 14, by Rev. A. K. Sanford, JOHN H. PATON and ANNIE M. FOWLER, adopted daughter of Mr. Henry Seaman, all of this city.

DIED.

ARMSTRONG.—On Monday, Dec. 4, GEORGE W. ARMSTRONG, son of George Armstrong, formerly of Donegal, Ireland, aged 38 years, 2 months and 28 days.

The relatives and friends of the family, and of his brother David, and his brothers-in-law, James Gregory and John Sutton, are invited to attend his funeral, from the residence of his father, No. 65 Pike-st., on Thursday, 7th inst., at 2 P. M.

☞ New-Orleans papers please copy.

ALBERTSON.—On Monday, Dec. 4, Mrs. C. B. ALBERTSON, wife of D. T. Albertson.

The body will be taken to Brantforth, Conn., for interment from her late residence, No. 44 East 31st-st., on Wednesday morning, at 8 o'clock.

BARTON.—On Sunday evening, Dec. 3, WM. H. W. BARTON, eldest son of Wm. Barton, Esq.

The friends of the family are invited to attend his funeral, from the residence of his father, No. 86 East 19th-st., on Wednesday afternoon, 6th inst., at 2 o'clock.

CROSSLEY.—At Astoria, on Tuesday, Dec. 5, J. JAMES CROSSLEY, aged 35 years and 3 months.

The relatives and friends of the family, and the members of Astoria Lodge No. 417, I. O. of O. F., are respectfully invited to attend the funeral, from his late residence, on Thursday, the 7th inst., at 1 o'clock P. M., without further invitation.

LEVINGS.—On Monday, Dec. 4, Mrs. SARAH LEVINGS, widow of the late Rev. Noah Levings.

The relatives and friends of the family are respectfully invited to attend her funeral, from the residence of her son, Noah C. Levings, M. D., No. 29 9th-st., New-York, this day, (Wednesday,) Dec. 6, at 1 o'clock P. M.

MAYHEW.—In Brooklyn, on Tuesday, Dec. 5, Capt. ZEB MAYHEW, aged 49 years.

The relatives and friends of the family are respectfully invited to attend the funeral, from his late residence, No. 80 1st-place, on Friday, Dec. 8, at 2 o'clock P. M.

MARTIN.—Arrived by the steamer *Alabama* from New-Orleans, the remains of THOMAS J. MARTIN, the son of the late Thomas Martin, interred in Calvary Cemetery Dec. 5.

MARIE.—On Tuesday, Dec. 5, at the residence of her grandfather, John Slosson, Esq., MATTIE SLOSSON, infant daughter of Albyn and Sarah S. Marie.

STRANGEWAYS.—On Tuesday, Dec. 5, THOMAS STRANGEWAYS.

His funeral will take place at No. 39 West 28th-st., on Thursday, at 1 o'clock P. M. Members of Templar Lodge No. 203, F. & A. M., will meet at their Lodge-rooms at 1 o'clock precisely. Members of Caledonia Club will meet at No. 39 West 28th-st., at 1 o'clock P. M.

THE CHARTER ELECTION.

John T. Hoffman Chosen Mayor, and Richard O'Gorman Counsel to the Corporation.

A Heavy Vote and Good Order at the Polls.

SEVERAL ARRESTS FOR ILLEGAL VOTING.

NAMES OF THE SUCCESSFUL CANDIDATES.

The most important charter election held in this city for many years, resulted yesterday in the choice of Hon. JOHN T. HOFFMAN for Mayor. The extraordinary efforts put forth by the Union and Democratic parties, combined with the operations of cliques and individuals induced results as significant as they are notable. It was expected by all parties that a heavy vote would be thrown in consequence as well of the personal reputations of the candidates, as of the exertions made in their behalf by the organizations that offered their names to the public. The Union party nominated MARSHALL O. ROBERTS a well-known, public-spirited merchant; the Democrats nominated JOHN T. HOFFMAN, a judicial officer of ability and integrity; the Citizens' Association nominated JOHN HECKER, who is principally known as the proprietor of extensive flouring mills in the Seventh Ward; and the present incumbent, C. GODFREY GUNTHER, remembering the good fortune that attended his former attempt, ran a stump ticket at his own expense and for his own benefit.

THE RESULT

is summed in a few words.

JOHN T. HOFFMAN is Mayor.

RICHARD O'GORMAN is Council to the Corporation.

That Mr. ROBERTS would have been elected had the entire Union vote been cast for him there is no doubt, and the public manifested its appreciation of that fact last night in remarks indicative of disgust and disapprobation of the course of the few who attempted to control the many.

The following is a tabular statement, by wards, of the vote for Mayor:

THE VOTE FOR MAYOR.

Wards.	Roberts.	Hoffman.	Hecker.	Gunther.
I	279	1,143	52	28
II	112	145	15	15
III	183	217	47	32
IV	435	866	522	133
V	876	540	207	191
VI	312	1,666	356	147
VII	1,027	1,696	1,099	232
VIII	1,569	1,289	372	318
IX	3,058	1,517	336	429
X	1,245	1,096	271	222
XI	1,717	2,570	710	126
XII	1,475	1,408	315	180
XIII	1,040	1,198	668	301
XIV	771	2,070	271	190
XV	1,753	822	194	184
XVI	2,337	1,664	406	238
XVII	2,678	3,219	656	984
XVIII	1,982	2,241	696	361
XIX	1,877	1,804	821	385
XX	2,499	2,404	985	480
XXI	2,272	1,958	350	201
XXII	2,114	1,415	821	461
Totals	31,611	32,945	10,170	5,797
Majority for Hoffman				1,334

The Result for Aldermen.

The following persons are undoubtedly elected in the several districts named:

District.
II..Thomas Coman, Democrat.
IV..Charles McBrien Democrat.
VI..Joseph Shannon, Democrat.
VIII..William L. Ely, Democrat.
X..Bernard Reilly, Democrat.
XII..Charles E. Loew, Democrat.
XIV..Joseph B. Varnum, Jr., Union Republican.
XVI..Robert McGinnis, Democrat.

Councilmen Elected.

The following are the names of Councilmen elected, as far as could be learned from the returns up to the hour of going to press:

FOURTH DISTRICT.
Cornelius Flynn, Democrat.
James Long, Democrat.
John Stacom, Democrat.
Patrick H. Keenan, Democrat.
Isaac Robinson, Democrat.
Hugh O'Brien, Democrat.

SIXTH DISTRICT.
Alexander H. Keech, Republican.
William B. White, Republican.
J. Wilson Green, Republican.
George D. Kellogg, Republican.
George H. Mackay, Republican.
Morris A. Tyng, Republican.

SEVENTH DISTRICT.
Stephen H. Roberts, Republican.
Michael Halloran, Republican.
Francis A. Thomas, Republican.
George Hittrick, Republican.
Christopher Pullman, Republican.
Milnor Inlay, Republican.

FOUR DAYS LATER FROM EUROPE.

ARRIVAL OF THE CITY OF NEW-YORK.

Sailing of the Shenandoah for New-York—Continued Preparations Against the Fenians—Spanish Circular on the Chilian Blockade—Release of Austrian Political Prisoners.

The Inman steamer *City of New-York*, Capt. LEITCH, which left Liverpool at noon on the 22d, and Queenstown on the 23d of November, arrived here last evening.

The steamer *Queen* sailed simultaneously with the *City of New-York* for New-York.

The *City of Boston* reached Queenstown at 8 A. M. on the 21st and Liverpool early on the 22d of November.

GREAT BRITAIN.

The ex-rebel cruiser *Shenandoah* sailed from Liverpool for New-York at about noon on the 21st.

The report that the Pigeon-house Fort at Dublin had been strongly garrisoned and otherwise strengthened, is confirmed.

A Dublin dispatch, of the 21st, says that rumor accounts for the arming of Pigeon-house Fort by the alleged appearance of doubtful vessels in the Channel. The Magazine Fort, in Phenix Park has been similarly strengthened. These movements are attributed to increased discipline in the garrisons under Sir HUGH ROSE.

A public meeting was to take place at Manchester to demand from the government a most searching investigation of the recent proceedings in Jamaica.

Applications were being received from the government by the various Poor Law Unions throughout England, for a return of the number of dwelling-houses classified according to the respective rates paid. The *Morning Post* infers that this is preliminary to a Reform Bill.

SPAIN AND CHILI.

The Paris *Patrie* says the Spanish Government was preparing a circular upon the events in Chili, to be communicated to the European Powers. The *Patrie* adds that there are reciprocal grievances in the question, and hopes that the difficulty will be settled by amicable mediation.

A strong memorial signed by BARING'S, ROTHSCHILD'S, and all the London houses interested in the trade with South America had been addressed to Lord CLARENDON with regard to the conduct of Spain against Chili.

Mr. TAVIRA, late minister of Spain at Chili, writes to the *Times* to correct a statement that had been made concerning himself. He says the Government of Spain had often repeated their desire of terminating the dispute with Chili in a conciliatory manner, and he never applied to his country the term atrocious, but confined himself to declaring that PAREJA'S conduct was not in accordance with these views.

AUSTRIA.

A telegram from Lemberg says: "A proclamation of the government was published to-day, announcing that the Emperor had ordered the release of all political prisoners arrested by the Gallician authorities from the year 1863 to the present time. All pending trials have been stopped, and general satisfaction is expressed at this act of clemency."

FINANCIAL AND COMMERCIAL.

LONDON MONEY MARKET.

The funds on the 21st were steady, with a slight upward tendency. Consols closed at 89⅛@89¼.

The Discount market was without alteration, and the demand was light.

LIVERPOOL, Wednesday, Nov. 22—Morning.

COTTON—The sales of Monday and Tuesday foot up 11,000 bales, including 3,000 for speculation and export. The market opened steadily but closed flat at a slight decline in prices.

TRADE AT MANCHESTER.—The market yesterday was very quiet, and prices were rather weaker than last week.

BREADSTUFFS—Messrs. RICHARDSON, SPENCE & Co. and WAKEFIELD, NASH & Co. report the market very dull for all articles. Flour almost unsaleable even at lower prices. Wheat very dull, and where pressed 1d.@2d. lower. Indian Corn flat and 6d. cheaper; mixed 29s.@30s. 6d.

PROVISIONS—Messrs. BRUCE, MCAULIFFE & Co. report Beef quiet. Pork steady. Bacon quite neglected at a further decline of 2s. ℔ cwt. Butter firm; holders' demands check sales. Lard quiet and unchanged. Tallow inactive but generally steady.

PRODUCE.—Sugar very quiet. Ashes—Pots scarce and holders demand higher prices. Pearls 34s.; no sales reported. Coffee—No sales. Rice inactive. Linseed Oil unchanged. Small sales of Resin at late rates. Spirits of Turpentine dull. Petroleum—More inquiry at fixed prices: Refined 3s. 4d.@3s. 6d. ℔ gallon.

LONDON MARKETS.—Wheat dull, 1s. ℔ qr. lower. Flour unaltered. Sugar quiet but steady. Coffee firm and tending upward. Tea firm. Rice quiet, but full prices paid. Tallow in good demand at 50s. for new P. Y. C.

THE LAST YEAR OF THE WAR.

Continued from Sixth Page.

materially shortening the line of investment necessary for taking the city. The enemy south of Hatcher's Run retreated westward to Sutherland's Station, where they were overtaken by MILES' division. A severe engagement ensued, and lasted until both his right and left flanks were threatened by the approach of Gen. SHERIDAN, who was moving from Ford's Station toward Petersburgh, and a division sent by Gen. MEADE from the front of Petersburgh, when he broke in the utmost confusion, leaving in our hands his guns and many prisoners. This force retreated by the main road along the Appomattox River.

THE FLIGHT OF LEE FROM RICHMOND.

During the night of the 2d the enemy evacuated Petersburgh and Richmond, and retreated toward Danville. On the morning of the 3d pursuit was commenced. Gen. SHERIDAN pushed for the Danville road, keeping near the Appomattox, followed by Gen. MEADE with the Second and Sixth Corps, while Gen. ORD moved from Burkesville along the Southside road; the Ninth Corps stretched along that road behind him. On the 4th Gen. SHERIDAN struck the Danville road near Jettersville, where he learned that LEE was at Amelia Court-house. He immediately intrenched himself and awaited the arrival of Gen. MEADE, who reached there the next day. Gen. ORD reached Burkesville on the evening of the 5th.

On the morning of the 5th I addressed Major-Gen. SHERMAN the following communication:

WILSON'S STATION, April 5, 1865.

GENERAL: All indications now are that LEE will attempt to reach Danville with the remnant of his force. SHERIDAN, who was up with him last night, reports all that is left—horse, foot and dragoons—at 20,000, much demoralized. We hope to reduce this number one-half. I shall push on to Burkesville, and if a stand is made at Danville, will in a very few days go there. If you can possibly do so, push on from where you are, and let us see if we cannot finish the job with LEE'S and JOHNSTON'S armies. Whether it will be better for you to strike for Greensboro or nearer to Danville, you will be better able to judge when you receive this. Rebel armies now are the only strategic points to strike at.

U. S. GRANT, Lieutenant-General.

Major-Gen. W. T. SHERMAN.

On the morning of the 6th, it was found that Gen. LEE was moving west of Jettersville, toward Danville. Gen. SHERIDAN moved with his cavalry, (the Fifth Corps having been returned to Gen. MEADE on his reaching Jettersville,) to strike his flank, followed by the Sixth Corps, while the Second and Fifth Corps pressed hard after, forcing him to abandon several hundred wagons and several pieces of artillery. Gen. ORD advanced from Burkesville toward Farmville, sending two regiments of infantry and a squadron of cavalry, under Brevet Brig.-Gen. THEODORE READ, to reach and destroy the bridges. This advance met the head of LEE's column near Farmville, which it heroically attacked and detained until Gen. READ was killed and his small force overpowered. This caused a delay in the enemy's movements, and enabled Gen. ORD to get well up with the remainder of his force, on meeting which the enemy immediately intrenched himself. In the afternoon Gen. SHERIDAN struck the enemy south of Sailor's Creek, captured 16 pieces of artillery, and about 400 wagons, and detained him until the Sixth Corps got up, when a general attack of infantry and cavalry was made, which resulted in the capture of 6,000 or 7,000 prisoners, among whom were many general officers. The movements of the Second Corps and Gen. ORD'S command, contributed greatly to the day's success.

On the morning of the 7th the pursuit was renewed, the cavalry, except one division, and the Fifth Corps moving by Prince Edward's Court-house; the Sixth Corps, Gen. ORD'S command, and one division of cavalry, on Farmville, and the Second Corps by the High Bridge road. It was soon found that the enemy had crossed to the north side of the Appomattox; but so close was the pursuit that the Second Corps got possession of the common bridge at High Bridge before the enemy could destroy it, and immediately crossed over. The Sixth Corps and a division of cavalry crossed at Farmville to its support.

NEGOTIATIONS OPENED FOR LEE'S SURRENDER.

Feeling now that Gen. LEE'S chance of escape was utterly hopeless, I addressed him the following communication from Farmville:

APRIL 7, 1865.

GENERAL: The result of the last week must convince you of the hopelessness of further resistance on the part of the Army of Northern Virginia in this struggle. I feel that it is so, and regard it as my duty to shift from myself the responsibility of any further effusion of blood by asking of you the surrender of that portion of the Confederate States army known as the Army of Northern Virginia.

U. S. GRANT, Lieut.-Gen.

Gen. R. E. LEE.

Early on the morning of the 8th, before leaving, I received, at Farmville, the following:

GENERAL: I have received your note of this date. Though not entertaining the opinion you express on the hopelessness of further resistance on the part of the Army of Northern Virginia, I reciprocate your desire to avoid useless effusion of blood, and therefore, before considering your proposition, ask the terms you will offer on condition of its surrender.

R. E. LEE, Gen.

Lieut.-Gen. U. S. GRANT.

To this I immediately replied:

April 8, 1865.

GENTLEMEN: Your note of last evening, in reply to mine of same date, asking the condition on which I will accept the surrender of the army of Northern Virginia, is just received. In reply, I would say that peace being my great desire, there is but one condition I would insist upon, namely: that the men and officers surrendered shall be disqualified for taking up arms again against the government of the United States until properly exchanged. I will meet you, or will designate officers to meet any officers you may name for the same purpose, at any point agreeable to you, for the purpose of arranging definitely the terms upon which the surrender of the army of Northern Virginia will be received.

U. S. GRANT, Lieutenant-General.

Gen. R. E. LEE.

Early on the morning of the 8th the pursuit was resumed. Gen. MEADE followed north of the Appomattox, and Gen. SHERIDAN, with all the cavalry, pushed straight for Appomattox Station, followed by Gen. ORD'S command and the Fifth Corps. During the day Gen. MEADE'S advance had considerable fighting with the enemy's rear guard, but was unable to bring on a general engagement. Late in the evening Gen. SHERIDAN struck the railroad at Appomattox Station, drove the enemy from there, and captured twenty-five pieces of artillery, a hospital train, and four trains of cars loaded with supplies for LEE'S army. During this day I accompanied Gen. MEADE'S column, and about midnight received the following communication from Gen. LEE:

APRIL 8, 1865.

GENERAL: I received at a late hour your note of to-day. In mine of yesterday I did not intend to propose the surrender of the Army of Northern Virginia, but to ask the terms of your proposition. To be frank, I do not think the emergency has arisen to call for the surrender of this army, but as the restoration of peace should be the sole object of all, I desired to know whether your proposals would lead to that end. I cannot, therefore, meet you with a view to surrender the Army of Northern Virginia, but as far as your proposal may affect the Confederate States forces under my command, and tend to the restoration of peace, I should be pleased to meet you at 10 A. M. to-morrow, on the old stage road to Richmond, between the picket lines of the two armies.

R. E. LEE, General.

Lieut.-Gen. U. S. GRANT.

Early on the morning of the 9th I returned him an answer as follows, and immediately started to join the column south of the Appomattox:

APRIL 9, 1865.

GENERAL: Your note of yesterday is received. I have no authority to treat on the subject of peace; the meeting proposed for 10 A. M. to-day could lead to no good. I will state, however, General, that I am equally anxious for peace with yourself, and the whole North entertains the same feeling. The terms upon which peace can be had are well understood. By the South laying down their arms they will hasten that most desirable event, save thousands of human lives, and hundreds of millions of property not yet destroyed. Seriously hoping that all our difficulties may be settled without the loss of another life, I subscribe myself, &c.,

U. S. GRANT,
Lieutenant-General.

Gen. R. E. LEE.

On the morning of the 9th Gen. ORD'S command and the Fifth Corps reached Appomattox Station just as the enemy was making a desperate effort to break through our cavalry. The infantry was at once thrown in. Soon after a white flag was received, requesting a suspension of hostilities pending negotiations of surrender.

Before reaching Gen. SHERIDAN'S headquarters, I received the following from Gen. LEE:

APRIL 9, 1865.

GENERAL: I received your note of this morning on the picket line, whither I had come to meet you, and ascertain definitely what terms were embraced in your proposal of yesterday with reference to the surrender of this army. I now ask an interview in accordance with the offer contained in your letter of yesterday for that purpose.

R. E. LEE, General.

Lieut.-Gen. U. S. GRANT.

MEETING OF GRANT AND LEE—THE SURRENDER.

The interview was held at Appomattox Court-house, the result of which is set forth in the following correspondence:

APPOMATTOX COURT-HOUSE, Va., April 9, 1865.

GENERAL: In accordance with the substance of my letter to you of the 8th instant, I propose to receive the surrender of the Army of Northern Virginia on the following terms, to wit: Rolls of all the officers and men to be made in duplicate, one copy to be given to an officer to be designated by me, the other to be retained by such officer or officers as you may designate. The officers to give their individual parole not to take up arms against the Government of the United States until properly exchanged; and each company or regimental commander sign a like parol for the men of their commands. The arms, artillery and public property to be packed and stacked, and turned over to the officers appointed by me to receive them. This will not embrace the side-arms of the officers nor their private horses or baggage. This done, each officer and man will be allowed to return to his home, not to be disturbed by United States authority so long as they observe their paroles and the laws in force where they may reside.

U. S. GRANT, Lieut.-Gen.

Gen. R. E. LEE.

HEADQUARTERS ARMY OF NORTHERN VIRGINIA,
April 9, 1865.

GENERAL: I received your letter of this date containing the terms of the surrender of the Army of Northern Virginia as proposed by you. As they are substantially the same as those expressed in your letter of the 8th instant, they are accepted. I will proceed to designate the proper officers to carry the stipulations into effect.

R. E. LEE, General.

Lieut.-Gen. U. S. GRANT.

The command of Major-Gen. GIBBON, the Fifth Army Corps under GRIFFIN, and MCKENZIE'S cavalry, were designated to remain at Appomattox Court-house until the paroling of the surrendered army was completed, and to take charge of the public property. The remainder of the army immediately returned to the vicinity of Burkesville.

Gen. LEE'S great influence throughout the whole South caused his example to be followed, and to-day the result is that the armies lately under his leadership are at their homes, desiring peace and quiet, and their arms are in the hands of our ordnance officers.

SHERMAN'S DEALINGS WITH JOHNSTON.

On the receipt of my letter of the 5th, Gen. SHERMAN moved directly against JOE JOHNSTON, who retreated rapidly on and through Raleigh, which place Gen. SHERMAN occupied on the morning of the 13th. The day preceding news of the surrender of Gen. LEE reached him at Smithfield.

On the 14th a correspondence was opened between Gen. JOHNSTON, which resulted, on the 18th, in an agreement for a suspension of hostilities, and a memorandum or basis for peace, subject to the approval of the President. This agreement was disapproved by the President on the 21st, which disapproval, with your instructions, was communicated to Gen. SHERMAN by me in person, on the morning of the 24th, at Raleigh, North Carolina, in obedience to your orders. Notice was at once given by him to Gen. JOHNSTON for the termination of the truce that had been entered into. On the 25th another meeting between them was agreed upon, to take place on the 26th, which terminated in the surrender and disbandment of Gen. JOHNSTON'S army upon substantially the same terms as were given to Gen. LEE.

GEN. STONEMAN'S OPERATIONS.

The expedition under Gen. STONEMAN from East Tennessee got off on the 20th of March, moving by way of Boone, North Carolina, and struck the railroad at Wytheville, Chambersburgh and Big Lick. The force striking it at Big Lick pushed on to within a few miles of Lynchburgh, destroying the important bridges, while with the main force he effectually destroyed it between New River and Big Lick, and then turned for Greensborough on the North Carolina Railroad; struck that road and destroyed the bridges between Danville and Greensborough and between Greensborough and the Yadkin, together with the depots of supplies along it, and captured four hundred prisoners. At Salisbury he attacked and defeated a force of the enemy under Gen. GARDINER, capturing fourteen pieces of artillery and one thousand three hundred and sixty-four prisoners, and destroyed large amounts of army stores. At this place he destroyed fifteen miles of railroad and the bridges toward Charlotte. Thence he moved to Slatersville.

THE CAPTURE OF MOBILE.

Gen. CANBY, who had been directed in January to make preparations for a movement from Mobile Bay against Mobile and the interior of Alabama, commenced his movement on the 20th of March. The Sixteenth Corps, Maj.-Gen. A. J. SMITH commanding, moved from Fort Gaines by water to Fish River; the Thirteenth Corps, under Maj.-Gen. GORDON GRANGER, moved from Fort Morgan and joined the Sixteenth Corps on Fish River, both moving thence on Spanish Fort and investing it on the 27th; while Maj.-Gen. STEELE'S command moved from Pensacola, cut the railroad leading from Tensas to Montgomery, effected a junction with them, and partially invested Fort Blakely. After a severe bombardment of Spanish Fort, a part of its line was carried on the 8th of April. During the night the enemy evacuated the fort. Fort Blakely was carried by assault on the 9th, and many prisoners captured; our loss was considerable. These successes practically opened to us the Alabama River, and enabled us to approach Mobile from the North. On the night of the 11th the city was evacuated, and was taken possession of by our forces on the morning of the 12th.

WILSON'S WORK IN ALABAMA.

The expedition under command of Brevet Major-Gen. WILSON, consisting of 12,500 mounted men, was delayed by rains until March 22, when it moved from Chickasaw, Ala. On the 1st of April, Gen. WILSON encountered the enemy in force, under FORREST, near Ebenezer Church, drove him in confusion, captured three hundred prisoners and three guns, and destroyed the central bridge over the Cahawba River. On the 2d, he attacked and captured the fortified city of Selma, defended by FORREST with seven thousand men and thirty-two guns, destroyed the arsenal, armory, naval foundry, machine shops, vast quantities of stores, and captured three thousand prisoners. On the 4th he captured and destroyed Tuscaloosa. On the 10th he crossed the Alabama River, and after sending information of his operations to Gen. CANBY, marched on Montgomery, which place he occupied on the 14th, the enemy having abandoned it. At this place many stores and five steamboats fell into our hands. Thence a force marched direct on Columbus, and another on West Point, both of which places were assaulted and captured on the 16th. At the former place we got fifteen hundred prisoners and fifty-two field guns, destroyed two gunboats, the navy-yard, foundries, arsenal, many factories, and much other public property. At the latter place we got three hundred prisoners, four guns, and destroyed nineteen locomotives and three hundred cars. On the 20th he took possession of Macon, Ga., with sixty field guns, twelve hundred militia and five Generals, surrendered by Gen. HOWELL COBB. Gen. WILSON, hearing that JEFF. DAVIS was trying to make his escape, sent forces in pursuit, and succeeded in capturing him on the morning of May 11.

DICK TAYLOR SURRENDERS—KIRBY SMITH'S BAD FAITH.

On the 4th day of May, Gen. DICK TAYLOR surrendered to Gen. CANBY all the remaining rebel forces east of the Mississippi. A force sufficient to insure an easy triumph over the enemy under KIRBY SMITH, west of the Mississippi, was immediately put in motion for Texas, and Major-Gen. SHERIDAN designated for its immediate command; but on the 26th day of May, and before they reached their destination, Gen. KIRBY SMITH surrendered his entire command to Major-Gen. CANBY. This surrender did not take place, however, until after the capture of the rebel President and Vice-President; and the bad faith was exhibited of first disbanding most of his army and permitting an indiscriminate plunder of public property.

THE MEXICAN BORDER.

Owing to the report that many of those lately in arms against the government had taken refuge upon the soil of Mexico, carrying with them arms rightfully belonging to the United States, which had been surrendered to us by agreement—among them some of the leaders who had surrendered in person—and the disturbed condition of affairs on the Rio Grande, the orders for troops to proceed to Texas were not changed.

There have been severe combats, raids, expeditions and movements to defeat the designs and purposes of the enemy, most of them reflecting great credit on our arms, and which contributed greatly to our final triumph, that I have not mentioned. Many of these will be found clearly set forth in the reports herewith submitted; some in the telegrams and brief dispatches announcing them, and others, I regret to say, have not as yet been officially reported.

For information touching our Indian difficulties I would respectfully refer to the reports of the commanders of departments in which they have occurred.

THE VALOR OF OUR ARMIES.

It has been my fortune to see the armies of both the West and the East fight battles, and from what I have seen I know there is no difference in their fighting qualities. All that it was possible for men to do in battle they have done. The Western armies commenced their battles in the Mississippi Valley, and received the final surrender of the remnant of the principal army opposed to them in North Carolina. The armies of the East commenced their battles on the river from which the Army of the Potomac derived its name, and received the final surrender of their old antagonist at Appomattox Court-house, Va. The splendid achievements of each have nationalized our victories, removed all sectional jealousies (of which we have unfortunately experienced too much) and the cause of crimination and recrimination that might have followed had either section failed in its duty. All have a proud record, and all sections can well congratulate themselves and each other for having done their full share in restoring the supremacy of law over every foot of territory belonging to the United States. Let them hope for perpetual peace and harmony with that enemy, whose manhood, however mistaken the cause, drew forth such herculean deeds of valor.

I have the honor to be, very respectfully,
Your obedient servant,
U. S. GRANT, Lieut.-Gen.

Hon. E. M. STANTON, Secretary of War.

THE NATIONAL FINANCES.

ANNUAL REPORT OF THE CECRETARY OF THE TREASURY.

Estimated Surplus of $111,682,818 for the Fiscal Year 1866—Army Estimates Reduced to $39,017,416—Gradual Contraction of Legal Tender Currency—Revision and Increase of Taxes—$200,000,000 a Year Applicable to Interest and Principal of Public Debt—Debt to be Extinguished in Thirty Years.

TREASURY DEPARTMENT,
WASHINGTON, Dec. 4, 1865.

In conformity with law, the Secretary of the Treasury has the honor to submit to Congress his annual report.

Next in importance to the great questions involved in the restoration of the Federal authority over the Southern States, and the reëstablishment of civil government therein under the constitution, are the financial questions embracing—

The Currency;
The Public Debt; and
The Revenue;

all of which demand the early and careful attention of Congress.

In presenting these important subjects, with their various connections, the Secretary is painfully conscious of his own inability properly to discuss them, difficult as they are, and involving as they do the national honor and the pecuniary interests of thirty millions of people. He will, however, offer as clearly and definitely as he can his own views in relation to them, not doubting that Congress will sustain and carry out, by appropriate legislation, those that are approved by their superior wisdom, and reject those which are regarded as either impracticable or unsound.

The fact that means have been raised, without foreign loans, to meet the expenses of a protracted and very costly war, is evident not only of the great resources of the country, but of the wisdom of Congress in passing the necessary laws, and of the distinguished ability of the immediate predecessors of the Secretary in administering them. It is hardly necessary to suggest, however, that the legislation which was proper and wise during the progress of hostilities may not be appropriate or even justifiable in a time of peace.

POWER OF CONGRESS TO ISSUE CIRCULATING NOTES.

The right of Congress, at all times, to borrow money and to issue obligations for loans in such form as may be convenient, is unquestionable; but their authority to issue obligations for a circulating medium as money, and to make these obligations a legal tender, can only be found in the unwritten law which sanctions whatever the representatives of the people, whose duty it is to maintain the government against its enemies, may consider in a great emergency necessary to be done. The present legal tender acts were war measures, and while the repeal of those provisions which made the United States notes lawful money is not now recommended, the Secretary is of the opinion that they ought not to remain in force one day longer than shall be necessary to enable the people to prepare for a return to the constitutional currency. It is not supposed that it was the intention of Congress, by these acts, to introduce a standard of value, in times of peace, lower than the coin standard, much less to perpetuate the discredit which must attach to a great nation which dishonors its own obligations by unnecessarily keeping in circulation an unredeemable paper currency. It has not in past times been regarded as the province of Congress to furnish the people directly with money in any form. Their authority is "to coin money and fix the value thereof;" and, inasmuch as a mixed currency, consisting of paper and specie, has been found to be a commercial necessity, it would seem, also, to be their duty to provide, as has been done by the National Currency Act, that this paper currency should be secured beyond any reasonable contingency. To go beyond this, however, and issue government obligations, making them by statute a legal tender for all debts, public and private, is not believed to be, under ordinary circumstances, within the scope of their duties or constitutional powers.

The reasons which are sometimes urged in favor of United States notes as a permanent currency are, the saving of interest and their perfect safety and uniform value.

OBJECTIONS TO A GOVERNMENTAL CURRENCY.

The objections to such a policy are, that the paper circulation of the country should be flexible, increasing and decreasing according to the requirements of legitimate business, while, if furnished by the government, it would be quite likely to be governed by the necessities of the Treasury or the interests of parties, rather than the demands of commerce and trade. Besides, a permanent government currency would be greatly in the way of public economy, and would give to the party in possession of the government a power which there might be strong temptations to use for other purposes than the public good—keeping the question of the currency constantly before the people as a political question, than which few things would be more injurious to business.

But the great and superable objection, as already stated, to the direct issue of notes by the government as a policy, is the fact that the Government of the United States is one of limited and defined powers, and that the authority to issue notes as money is neither expressly given to Congress by the constitution, nor fairly to be inferred, except as a measure of necessity in a great national exigency. No consideration of a mere pecuniary character should induce an exercise by Congress of powers not clearly contemplated by the instrument upon which our political fabric was established. The government, in the great contest which has been recently closed, has not sought to increase its own powers, nor to interfere with the rightful powers of the States. The questions decided by the war are, that the Union is indissoluble; that whatever is essentially opposed to it must be removed; that the Federal authority, within its proper sphere, is supreme; and that the validity of acts of Congress is not to be determined by the States, but by that tribunal which the complex character of the government made a necessity. It is the crowning glory of the constitution that this great war has been waged and closed without the powers of the government being enlarged or its relations to the States being changed.

The issue of United States notes as lawful money was a measure expedient, doubtless, and necessary in the great emergency in which it was adopted, but this emergency no longer exists, and however desirable may be the saving of interest, and however satisfactory these notes may be as a circulating medium, those considerations will not, it is respectfully submitted, justify a departure from that strict construction of the constitution given to it previous to the war by patriotic men of all parties, and which is essential to the equal and harmonious working of our peculiar institutions. The strength of the government has been proved by the manner in which it has carried on the greatest war of modern times; it only remains, for the vindication of its excellence and the perfection of its triumphs, that all powers exercised for its preservation, but not expressly granted by the constitution, be relinquished with the return of peace. While, therefore, the Secretary is of the opinion that the immediate repeal of the legal-tender provisions of the acts referred to would be unwise, as being likely to affect injuriously the legitimate business of the country, upon the prosperity of which depend the welfare of the people and the revenues which are necessary for the maintenance of the national credit, and unjust to the holders of the notes, he is of the opinion that not only these provisions, but the acts also should be regarded as only temporary, and that the work of retiring the notes which have been issued under them should be commenced without delay, and carefully and persistently continued untill all are retired.

In speaking of the legal-tender acts, reference has only been made to those which authorized the issue of United States notes. The interest-bearing notes which are a legal tender for their face value, were intended to be a security rather than a circulating medium, and it would be neither injurious to the public, nor an act of bad faith to the holders, for Congress to declare that, after their maturity, they shall cease to be a legal tender, while such a declaration would aid the government in its efforts to retire them, and is therefore recommended.

CONTRACTION OF THE CURRENCY.

The rapidity with which the government notes can be withdrawn will depend upon the ability of the Secretary to dispose of securities. The influences of funding upon the money market will sufficiently prevent their too rapid withdrawal. The Secretary, however, believes that a decided movement toward a contraction of the currency is not only a public necessity, but it will speedily dissipate the apprehension which very generally exists, that the effect of such a policy must necessarily be to make money scarce and to diminish the prosperity of the country.

It is a well-established fact, which has not escaped the attention of all intelligent observers, that the demand for money increases (by reason of an advance of prices) with the supply, and that this demand is not unfrequently most pressing when the volume of currency is the largest and inflation has reached the culminating point. Money being an unprofitable article to hold, very little is withheld from active use, and in proportion to its increase prices advance; on the other hand, a reduction of it reduces prices, and as prices are reduced, the demand for it falls off; so that, paradoxical as it may seem, a diminution of the currency may in fact increase the supply of it.

Nor need there be any apprehensions that a reduction of the currency—unless it be a violent one—will injuriously affect real prosperity. Labor is the great source of national wealth, and industry invariably declines on an inflated currency. The value of money depends upon the manner in which it is used. If it stimulates productive industry it is a benefit, and to the extent only to which it does this is it a benefit. If, on the other hand, it diminishes industry, and to the extent to which it diminishes it, it is an evil. Even in the form of the precious metals, it may not prove to be wealth to a nation. The idea that a country is necessarily rich in proportion to the amount of gold or silver which it possesses, is a common and natural, but an erroneous one, while the opinion that real prosperity is advanced by an increase of paper money beyond what is absolutely needed as a medium for exchanges of real value, is so totally fallacious that few sane men entertain it whose judgment is not clouded by the peculiar financial atmosphere which an inflation is so apt to produce.

MEASURES OF VALUE—BALANCES OF TRADE.

An irredeemable paper currency may be a necessity, but it can scarcely fail, if long continued, to be a calamity to any people. Gold and silver are the only proper measure of value. They have been made so by the tacit agreement of nations, and are the necessary regulator of trade, the medium by which balances are settled between different countries and between sections of the same country. As a universal measure of value, they are a commercial necessity. The trade between different nations and between sections of the same country is carried on by an exchange of commodities, but it never equally balanced by them; and unless credits are being established, the movements of coin unerringly indicate on which side the balance exists.

If the United States buy of other nations—as they now and too generally do—more than they sell to them, it is evident that a balance is thus created which must either be settled in coin or continued as a debt.

That balances between nations should be promptly paid is the dictate of wisdom, because by prompt payment the adverse current is checked before the debtor nation becomes seriously involved; while on the other hand, if they are permitted to accumulate, they may, when the day of payment can no longer be deferred, prove not only disastrous to the debtor, but greatly disturb the business of the creditor nation. Even with the vast increase of gold and silver which has taken place within the last quarter of a century, the specie which is possessed by commercial nations is a very inconsiderable sum in comparison with their foreign and domestic property exchanges; and no nation can afford to continue a traffic which leaves it with a heavy debt to be paid in the precious metals, unless these metals are a part of its productions, and then only to the extent that they are productions. When there are no artificial obstacles in the way, and balances between nations are promptly settled, the flow of coin from one to the other produces but little embarrassment to the debtor nation. The nation that loses coin either diminishes its purchases, or, by a reduction of the prices of its commodities which the loss occasions, becomes a more inviting market than before, and by attracting purchasers, reverses the current and draws again to itself the coin of which it had been deprived.

All this is well understood, and if trade between nations were carried on by an exchange of products and a prompt payment of balances in specie, no nation would ever become indebted to another to an extent seriously to affect its prosperity.

All serious embarrassment growing out of commercial intercourse between the people of different nations results from failure in the prompt payment of balances, and the carrying forward of these balances by extensions of credits.

The trade between the different sections of the United States is subject to the same laws. If one section, in the course of trade, becomes a debtor to another, the balances must be carried in the form of debt, always expensive and generally dangerous to the debtor section, or settled with money. If the measure of value is a convertible currency, and trade and exchanges are left to the natural laws that govern them, settlements take place promptly and without embarrassment to business. The banks of the debtor section are drawn upon by their depositors and note-holders for coin or exchange. This return of notes and withdrawal of deposits, if considerable in amount, produce a contraction of discounts; and this contraction either checks overtrading or so reduces the price of products as to increase the demand for them until the current changes and the equilibrium is restored.

This brief statement of the well-known laws of trade not only illustrates the necessity of prompt payment of balances between the United States and foreign nations and between the different sections of the United States, but the necessity of having everywhere the same standard of value.

FORMER EXPANSIONS AND DISTURBANCES.

It is admitted that on a coin basis there will be periods of expansion. Times of the greatest expansion and speculation in the United States have been, indeed, when the banks were nominally paying specie. This was the case prior to the revulsions of 1837 and 1857, the expansion of credits having, in both instances, preceded suspension; but this does not militate against the theory just stated.

The great expansion of 1835 and 1836, ending with the terrible financial collapse of 1837, from the effects of which the country did not rally for years, was the consequence of excessive bank circulation and discounts, and an abuse of the credit system, stimulated in the first place by government deposits with the State banks, and swelled by currency and credits, until, under the wild spirit of speculation which pervaded the country, labor and production decreased to such an extent that the country which should have been the great food-producing country of the world became an importer of breadstuffs.

The balance of trade had been for a long time favorable to Europe and against the United States, and also in favor of the commercial cities of the seaboard and against the interior, but a vicious system of credits prevented the prompt settlement of balances. The importers established large credits abroad, by means of which they were enabled to give favorable terms to the jobbers. The jobbers, in turn, were thus, and by liberal accommodations from the banks, able to "give their own time" to country merchants, who, in turn, sold to their customers on an indefinite credit. It then seemed to be more reputable to borrow money than to earn it, and pleasanter, and apparently more profitable, to speculate than to work; and so the people ran headlong into debt, labor decreased, production fell off and ruin followed.

The financial crisis of 1857 was the result of a similar cause, namely, the unhealthy extension of the various forms of credit. But, as in this case, the evil had not been long at work, and productive industry had not been seriously diminished, the reaction, though sharp and destructive, was not general, nor were the embarrassments resulting from it protracted.

Now, in both these instances the expansions occurred while the business of the country was upon a specie basis, but it was only nominally so. A false system of credits had intervened, under which payments were deferred, and specie as a measure of value and a regulator of trade was practically ignored. Everything moved smoothly and apparently prosperously as long as credits could be established and continued, but as soon as payments were demanded and specie was in requisition, distrust commenced, and collapse ensued. In these instances the expansions preceded, and contractions followed the suspensions, but it will be recollected that while the waves were rising specie ceased to be a regulator, by reason of a credit system which prevented the use of it.

THE PRESENT INFLATION.

The present inflation following the suspension of 1861, is the result of heavy expenditures by the government in the prosecution of the war and the introduction of a new measure of value in the form of United States and Treasury notes as lawful money. The country, as a whole, notwithstanding the ravages of the war, and the draft which has been made upon labor, is, by its greatly developed resources, far in advance in real wealth of what it was in 1857, when the last severe financial crisis occurred. The people are now comparatively free from debt: the banks, with their secured circulation and large investments in government securities, although not in an easy condition, and doubtless too much extended, are, it is believed, generally solvent; but the same causes are at work that produced the evils referred to. There is an immense volume of paper money in circulation—under the influence of which prices, already enormously high, are steadily advancing, and speculation is increasing—which must be contracted if similar disasters would be avoided.

If the war could have been prosecuted on a specie basis, there would doubtless have been a considerable advance in the prices of those articles which were in demand by the Government; but inasmuch as in the condition of our political affairs extensive credits could not have been established in Europe, the tendency in this direction would have been kept within reasonable check by the outflow of coin to other nations, which would have been the natural result of the advancing prices in the United States. On a basis of paper money, for which there was no outlet, all articles needed for immediate use, of which it became the measure of value, felt and responded to the daily increase of the currency, so that rents and the prices of most articles for which there has been a demand, have been, with slight fluctuations, constantly advancing from the commencement of the war, and are higher now, with gold at forty-seven per cent. premium, than they were when it was at one hundred and eighty-five. Even those which were affected by the fall of gold upon the surrender of the Confederate armies, or by the increased supply or diminished demand, are advancing again to former if not higher rates. The expansion has now reached such a point as to be absolutely oppressive to a large portion of the people, while at the same time it it diminishing labor, and is becoming subversive of good morals.

EVILS OF AN ABUNDANCE OF MONEY.

There are no indications of real and permanent prosperity in our large importations of foreign fabrics; in the heavy operations at our commercial marts; in the splendid fortunes reported to be made by skillful manipulations at the gold-room or the stock board; no evidences of increasing wealth in the facts that railroads and steamboats are crowded with passengers, and hotels with guests; that cities are full to overflowing, and rents and the prices of the necessaries of life, as well as luxuries, are daily advancing. All these things prove rather that a foreign debt is being created, that the number of non-producers is increasing, and that productive industry is being diminished. There is no fact more manifest than that the plethora of paper money is not only undermining the morals of the people by encouraging waste and extravagance, but is striking at the root of our material prosperity by diminishing labor. The evil is not at present beyond the control of legislation, but it is daily increasing, and, if not speedily checked, will, at no distant day, culminate in widespread disaster. The remedy, and the only remedy within the control of Congress, is, in the opinion of the Secretary, to be found in the reduction of the currency.

AMOUNT OF PAPER CIRCULATION.

The paper circulation of the United States on the 31st of October last, was substantially as follows:

1. United States notes and fractional currency	$454,218,038 20
2. Notes of the National Banks	185,000,000 00
3. Notes of State Banks, including outstanding issues of State Banks converted into National Banks	65,000,000 00
Total	$704,218,038 20

The amount of notes furnished to the National Banks up to and including the 31st of October, was a little over $205,000,000, but it is estimated that $20,000,000 of these had not then been put into circulation.

In addition to the United States notes, there were also outstanding $32,536,900 five per cent. Treasury notes, and $173,012,140 compound interest notes, of which it would, doubtless, be safe to estimate that $30,000,000 were in circulation as currency.

From this statement it appears that, without including seven and three-tenth notes, many of the small denominations of which were in circulation as money, and all of which tend in some measure to swell the inflation, the paper money of the country amounted, on the 31st of October, to the sum of $734,218,038 20, which has been daily increased by the notes since furnished to the National Banks, and is likely to be still further increased by those to which they are entitled, until the amount authorized by law ($300,000,000) shall have been reached, subject to such reduction as may be made by the withdrawal of the notes of the State Banks.

FORMER BANK NOTE CIRCULATION.

The following is a statement of the bank note circulation of the country at various periods of highest and lowest issues prior to the war:

January, 1830	$61,324,000	January, 1856	$195,747,950
January, 1835	103,692,495	January, 1857	214,778,822
January, 1836	140,301,038	January, 1858	155,208,344
January, 1837	149,185,890	January, 1860	207,102,000
January, 1843	58,564,000		

It will be noticed by this statement that the bank note circulation of the United States increased from $61,324,000 to $149,185,890 between the 1st of January, 1830, and the 1st of January, 1837, in which latter year the great financial collapse took place; fell from $149,185,890 in 1837, to $58,564,000 in 1843, and rose to $214,778,822 on the 1st of January, 1857, in which year the next severe crisis occurred; falling during that year to $155,208,344, and rising to $207,102,000 on the 1st of January, 1860.

LOANS AND DEPOSITS.

The following is a statement of bank deposits and loans in the same years:

Years.	Deposits.	Loans.
January 1, 1830	$55,560,000	$200,451,000
January 1, 1835	83,081,000	365,163,000
January 1, 1836	115,104,000	457,506,000
January 1, 1837	127,397,000	525,115,000
January 1, 1843	56,168,000	254,544,000
January 1, 1856	212,706,000	634,183,000
January 1, 1857	230,351,000	684,456,000
January 1, 1858	185,932,000	583,165,000
January 1, 1860	253,802,000	691,945,000

On the 30th of September, the date of their last quarterly reports, the deposits and loans of the National Banks (the Secretary has no reliable returns of these items from the few remaining State banks) were as follows:

Deposits, individual and government		$544,150,194
Loans	$485,314,029	
To which should be added—Investments in United States bonds and other United States securities	427,731,600	913,045,629

These figures are a history in themselves, exhibiting not only the past and present condition of the country, in matters of exceeding interest, but indicating unerringly the dangerous direction in which the financial current is sweeping.

COMPARISONS AND FOREWARNINGS.

On the 1st of January of the memorable year 1837, the bank note circulation of the United States was $149,185,890, the deposits were $127,397,000, the loans $525,115,000. In January, 1857, the year of the next great crisis, the circulation was $214,778,822, the deposits were $230,351,000, the loans $684,456,000. There are no statistics to exhibit the amount of specie actually in circulation in those periods, but it would be a liberal estimate to put it at $30,000,000 for 1837, $50,000,000 for 1857.

These were years of great inflation, the effects of which have been already referred to—the revulsion of 1837 not only producing great immediate embarrassment, but a prostration which continued until 1843, at the commencement of which year the bank-note circulation amounted only to $58,564,000, deposits to $56,168,000, loans $254,544,000—flour having declined in New-York from $10 25 per barrel, on the 1st of January, 1837, to $4 69 on the 1st of January, 1843, and other articles in about the same proportion.

The reaction in 1857 was severe, but, for the reason before stated, less disastrous and protracted.

On the 30th of September last the deposits of the national banks alone amounted to $544,150,194; their loans—estimating their national securities as a loan to the government—to $913,045,629; both of which items must have been increased during the month of October; while on the 31st of that month the circulation, bank and national, had reached the startling amount of upward of $700,000,000. Nothing beyond this statement is required to exhibit the present inflation, or to explain the causes of the current and advancing prices. If disaster followed the expansions of 1837 and 1857, what must be the consequences of the present expansion unless speedily checked and reduced!

It is undoubtedly true that trade is carried on much more largely for cash than was ever the case previous to 1861, and that there is a much greater proper demand for money than there would be if sales were made, as heretofore, on credit. It is also true that there is a larger demand than formerly for money on the part of manufacturers for the payment of operatives. But, making the most liberal allowances for the increased wholesome demand arising from these causes and from the advance of the country in business and population, it is apparent from the foregoing statements, if the advance in prices did not establish the fact, that the circulating medium of the country is altogether excessive.

OBJECTIONS TO REDUCTION CONSIDERED.

Before concluding his remarks upon this subject, it may be proper for the Secretary, even at the expense of repetition, to notice briefly some of the popular and plausible objections to a reduction of the currency:

First—That by reducing prices it would operate injuriously, if not disastrously, upon trade, and be quite likely to precipitate a financial crisis.

To this it may be replied, that prices of articles of indispensable necessity are already so high as to be severely oppressive to consumers, especially to persons of fixed and moderate incomes and to the poorer classes. Not only do the interests, but the absolute necessities of the masses require that the prices of articles needed for their use should decline.

Nor is there any reason to apprehend, by any policy that Congress may adopt, so rapid a reduction of prices as to produce very serious embarrassment to trade. The government currency can only, to any considerable extent, be withdrawn by sale of bonds, and the demand for bonds will be so affected by the state of the market that a rapid contraction will be difficult, if not impossible, even if it were desirable. There is more danger to be apprehended from the inability of the government to reduce its circulation rapidly enough, than from a too rapid reduction of it. It is, in part, to prevent a financial crisis, that is certain to come without it, that the Secretary recommends contraction. Prices are daily advancing. The longer contraction is deferred, the greater must the fall eventually be, and the more serious will be its consequences. It is not expected that a return to specie payments will bring prices back to the standards of former years. The great increase of the precious metals and high taxes will prevent this; but this consideration makes it the more important that all improper and unnecessary influences in this direction should be removed.

Again it is urged, that a contraction of the currency would reduce the public revenues.

It is possible that this might be the immediate effect, but it would be temporary only. The public revenues depend upon the development of our national resources, upon our surplus productions; in other words, upon labor. The revenues derived from transactions based upon a false standard of value, or from interests that can only flourish in speculative times, are not those upon which reliance can be placed for maintaining the public credit. What a healthy and reliable business requires is a stable basis. This it cannot have as long as the country is inflicted with an inconvertible currency, the value of which, as well as the value of the vast property which is measured by it, is fluctuating and unreliable, and may be in no small degree controlled by speculative combinations.

It is also urged that the proposed policy would endanger the public credit by preventing funding; and that it would compel the government and the people, who are in debt, to pay in a dearer currency than that in which their debts were contracted.

The Secretary is unable to perceive any substantial ground for this objection. He cannot understand how the process of funding is likely to be aided by the continuance of prices on their present high level, or how the credit of the government is to be restored by the perpetuation of an irredeemable currency, especially as that currency consists largely of its own notes. While it is hoped that early provision will be made for the commencement of the reduction of the national debt, an early payment of it is not anticipated. Nor is it understood that those who are apprehensive of the effects of contraction entertain the opinion that the present condition of things should be continued until any considerable portion of this debt shall be paid.

So far as individual indebtedness is regarded, it may be remarked, that the people of the United States, if not as free from debt as they were six months ago, are much less in debt than they have been in previous years, and altogether less than they will be when the inevitable day of payment comes round, if the volume of paper money is not curtailed. A financial policy which would prevent the creation of debts and stimulate the payment of those already existing, so far from being injurious, would be in the highest degree beneficial.

It is further urged that a reduction of the government notes would embarrass the National Banks, if it did not force many of them into liquidation.

To which it may be said, that it is better that the banks should be embarrassed now than bankrupted hereafter. Their business and their customers are now under their control. What will be their condition in these respects if the expansion continues and swells a year or two longer, it is not difficult to predict. While there has been no unhealthy expansion of credits in the United States for which the banks have not been largely responsible, there has been none by which they have not been ultimately the losers. Unless their sentiments are misunderstood by the Secretary, the conservative bankers of the country are quite unanimously in favor of a curtailment of the currency, with a view to an early return to specie payments.

Again: It is said that the excessive bank deposits have as much influence in creating and sustaining high prices as a superabundant currency. This is unquestionably true; but it is also true that excessive deposits are the effect of excessive currency, and that whenever the currency is reduced there will be, at least a corresponding, if not a greater, reduction of deposits.

The last objection which will be noticed to the measure recommended is, that it would, by reducing the rate of foreign exchanges, reduce exports and increase imports.

It is doubtless true that a high rate of exchange did for a time increase the exportations of our productions, and diminish the importation of foreign articles, but this advantage was much more than counterbalanced by the largely increased expenses of the government and of the people resulting from the very cause that produced the high rate of exchange. Besides, this apparent advantage no longer exists. The advance of prices in the United States, notwithstanding the continued high rate of European exchange, is now checking exports and inviting imports, and is creating a balance in favor of Europe that is likely to be the greatest obstacle in the way of an early resumption of specie payments. Nor must it be forgotten, that while the export of our productions was stimulated by the high rate of exchange, this very high rate of exchange enabled Europe to purchase them at exceedingly low prices.

Unless an unusual demand for our products is created in Europe by extraordinary causes, it will be ascertained by reference to the proper tables, that our imports increase, and our exports diminish, under the influence of a redundant currency. But reference to figures is hardly necessary to substantiate this proposition. It is substantiated by the statement of it. A country in which high prices prevail is an inviting one for sellers, but an uninviting one for purchasers. Such a country is unfortunately the United States at the present time. In order, however, that there may be no misapprehension on this point, the attention of Congress is respectfully called to a clear and interesting paper from Dr. ELDER, Statistician of this department, accompanying this report.

Every consideration, therefore, that has been brought to the mind of the Secretary confirms the correctness of the views he has presented. If the business of the country rested upon a stable basis, or if credits could be kept from being still further increased, there would be less occasion for solicitude on this subject. But such is not the fact. Business is not in a healthy condition; it is speculative, feverish, uncertain. Every day that contraction is deferred increases the difficulty of preventing a financial collapse. Prices and credits will not remain as they are. The tide will either recede or advance; and it will not recede without the exercise of the controlling power of Congress.

THE SECRETARY'S RECOMMENDATIONS.

The Secretary, therefore, respectfully but earnestly recommends—

First—That Congress declare that the compound interest notes shall cease to be a legal tender from the day of their maturity.

Second—That the Secretary be authorized, in his discretion, to sell bonds of the United States, bearing interest at a rate not exceeding six per cent., and redeemable and payable at such periods as may be conducive to the interests of the government, for the purpose of retiring not only compound interest notes, but the United States notes.

It is the opinion of the Secretary, as has been already stated, that the process of contraction cannot be injuriously rapid; and that it will not be necessary to retire more than one hundred, or at most two hundred millions of United States notes, in addition to the compound notes, before the desired result will be attained. But neither the amount of reduction, nor the time that will be required to bring up the currency to the specie standard, can now be estimated with any degree of accuracy. The first thing to be done is to establish the policy of contraction. When this is effected, the Secretary believes that the business of the country will readily accommodate itself to the proposed change in the action of government, and that specie payments may be restored without a shock to trade, and without a diminution of the public revenues or of productive industry.

At the close of a great war, which has been waged on both sides with a vigor and energy, and with an expenditure of money without a precedent in modern times, the people of the United States are encumbered with a debt which requires the immediate and careful consideration of their representatives.

THE PROVIDING OF MEANS.

Since the commencement of the special session of 1861, the most important subject which has demanded and received the attention of Congress, has been that of providing the means to prosecute the war; and the success of the government in raising money is evidence of the wisdom of the measures devised for this purpose, as well as of the loyalty of the people and the resources of the country. No nation within the same period ever borrowed so largely, or with so much facility. It is now to be demonstrated that a republican government can not only carry on a war on the most gigantic scale, and create a debt of immense magnitude, but can place this debt on a satisfactory basis, and meet every engagement with fidelity. The same wisdom which has been exhibited by the national councils in providing the means for preserving the national unity, will not be wanting in devising measures for establishing the national credit.

THE PUBLIC FAITH AND THE PUBLIC DEBT.

The maintenance of public faith is a national necessity. Nations do not and cannot safely accumulate moneys to be used at a future day, and exigencies are constantly occurring in which the richest and most powerful are under the necessity of borrowing. The millenial days, when nations shall beat their swords into plowshares and their spears into pruning-hooks, and learn war no more, are yet, according to all existing indications, far in the future. Weak and defaulting nations may maintain a nominally independent existence, but it will be by reason of the jealousies, rather than the forbearance of stronger Powers. No nation is absolutely safe which is not in a condition to defend itself; nor can it be in this condition, no matter how strong in other respects, without a well-established financial credit. Nations cannot, therefore, afford to be unfaithful to their pecuniary obligations. Credit to them, as to individuals, is money; and money is the war power of the age. But for the unfaltering confidence of the people of the loyal States in the good faith of the government, the late rebellion would have been a success, and this great nation, so rapidly becoming again united and harmonious, would have been broken into weak and belligerent fragments.

But the public faith of the United States has higher considerations than these for its support. It rests not only upon the interests of the people, but upon their integrity and virtue. The debt of the United States has been created by the people in their successful struggle for undivided and indivisible nationality. It is not a debt imposed upon willing subjects by despotic authority, but one incurred by the people themselves for the preservation of their government—by the preservation of which, those who have been leagued together for its overthrow are to be as really benefited as those who have been battling for its maintenance. As it is a debt voluntarily incurred for the common good, its burdens will be cheerfully borne by the people, who will not permit them to be permanent.

The public debt of the United States represents a portion of the accumulated wealth of the country. While it is a debt of the nation, it becomes the capital of the citizen. The means of the merchant, the manufacturer and farmer, and also those of the workingman and the soldier, have been liberally invested in it; and it is an interesting fact—a practical evidence of the great resources of the country—that so large an amount of their wealth could be loaned by the people to the government without embarrassing industrial pursuits. Notwithstanding more than $2,000,000,000 of the means of the people of the United States have

Continued on Eighth Page.

ADVICE TO NEW-YORK ADVERTISERS.—For sixteen years S. M. PETTENGILL & Co., of New-York, have been our agents in that city for soliciting advertisements, and during that time they have paid us thousands of dollars—always promptly, on demand. For this reason they are always enabled to procure better bargains with publishers for their patrons than many other agents. We can cheerfully recommend this firm to both the press and advertiser as being prompt and energetic business men, and can assure them that whatever they may contract to do will be done faithfully. We have had much experience in this line, and PETTENGILL & Co. have always been reliable.—*Madison (Ind.) Courier.*

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Present as a whole a most *recherche* bouquet. Each one by itself is incomparably excellent.

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OFFICIAL DRAWING
OF THE
SHELBY COLLEGE LOTTERY OF THE STATE OF KENTUCKY,
Class No. 570,
on the Royal Havana plan of single numbers, drawn at Covington, Ky., on Thursday, Nov 30, 1865.

No.	Prize.	No.	Prize.	No.	Prize.	No.	Prize.	No.	Prize.
284	200	9855	200	20171	200	28681	200	39723	[illegible]
311	200	10061	1000	20188	2000	29430	500	39843	[illegible]
604	200	10142	2000	20242	200	29731	1000	39908	[illegible]
771	200	10613	500	20384	500	29759	1000	40103	[illegible]
1210	500	10856	200	20950	200	30644	200	41005	[illegible]
1246	3000	11900	200	21189	200	31037	200	41243	[illegible]
1345	200	11993	200	21297	200	31258	200	41409	[illegible]
1365	20000	12631	200	21625	200	31265	200	41681	[illegible]
1567	2000	12655	200	21727	200	31406	500	41776	[illegible]
1715	2000	13342	500	21859	500	31694	200	41783	[illegible]
2224	200	13696	200	21892	3000	31725	200	41808	[illegible]
2244	200	14409	200	22770	1000	31840	2000	41869	[illegible]
2473	500	14725	200	23231	5000	32277	500	42036	[illegible]
2705	200	14976	1000	23445	1000	32841	200	42605	[illegible]
2750	200	15142	1000	23518	1000	33082	500	42700	[illegible]
2846	200	15273	2000	24007	200	33089	1000	43075	[illegible]
3042	200	15375	1000	24272	1000	33094	200	43591	[illegible]
3068	200	15460	1000	24508	500	33561	200	44053	[illegible]
3556	200	15644	500	24532	1000	33609	500	44707	[illegible]
4053	200	15901	200	24610	500	33892	200	45103	[illegible]
4231	200	15942	5000	25052	500	34077	200	45176	[illegible]
4790	200	16042	500	25121	500	34221	200	45472	[illegible]
4909	200	16075	200	25264	500	34428	200	46429	[illegible]
5012	500	16186	200	25438	200	34647	500	46570	[illegible]
5114	200	17312	200	25474	200	34670	500	46783	[illegible]
5801	1000	17507	200	25522	500	34717	200	46969	[illegible]
5861	40000	17815	200	25549	200	34772	500	47236	[illegible]
6167	200	18071	200	25677	2000	35746	200	47256	[illegible]
7138	500	18209	1000	25897	2000	35870	1000	[illegible]	[illegible]
7364	200	18496	500	25902	200	35894	500	47350	[illegible]
7574	7375	18545	200	26182	500	35923	200	48352	[illegible]
8295	500	18622	200	26187	200	36196	200	48379	[illegible]
8523	10000	18835	200	26239	1000	37000	500	58451	[illegible]
8815	200	18844	500	26273	500	37509	7375	[illegible]	[illegible]
8977	200	19298	200	26370	1000	38096	200	48594	[illegible]
9306	2000	19250	200	26361	200	38425	200	48722	[illegible]
9338	1000	19355	1000	27003	3000	39264	200	48891	[illegible]
9389	200	19415	200	27047	2000	39406	1000	49873	[illegible]
9703	200	19462	200	27245	500	39474	200	[illegible]	[illegible]
9753	500	20116	200	27527	500	39617	500	[illegible]	[illegible]

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KENTUCKY—EXTRA CLASS No. 677, Dec. 5, 1865.
11, 37, 61, 52, 70, 22, 45, 38, 53, 5, 41, 7, [illegible]
KENTUCKY—CLASS No. 678, Dec. 5, 1865.
69, 26, 33, 17, 32, 42, 71, 66, 41, 64, 57, 8, 19.
SHELBY—EXTRA CLASS No. 577, Dec. 5, 1865.
67, 71, 19, 62, 58, 11, 3, 40, 8, 57, 20, 12, [illegible]
SHELBY—CLASS No. 578, Dec. 5, 1865.
60, 21, 73, 46, 67, 65, 32, 10, 29, 42, 49, 54, [illegible]
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TOO LATE FOR CLASSIFICATION.

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A Grand Mass Meeting of the Workingmen of New-York and adjacent cities, in favor of the EIGHT-HOUR MOVEMENT, will be held at Cooper Institute on THIS (Wednesday) EVENING, Dec. 6, at 7½ o'clock.
Eminent speakers will address the meeting.
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The Female Operative Benevolent Society have accepted an invitation to be present on the occasion.
All trade organizations not represented in the Union and the workingmen of this city, Brooklyn and the neighboring cities, are cordially invited to be present.
COME ONE! COME ALL!
M. STEPHENS, President.
W. F. LLOYD, Secretary.

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LAST YEAR OF THE WAR.

(Continued from Third Page.)

Finding that we had not reached the end of the enemy's fortifications, and no place presenting itself for a successful assault by which he might be doubled up and shortened, I determined to withdraw within our fortified line. Orders were given accordingly. Immediately upon receiving a report that Gen. Warren had connected with Gen. Hancock, I returned to my headquarters. Soon after I left, the enemy moved out across Hatcher's Run, in the gap between Gens. Hancock and Warren, which was not closed as reported, and made a desperate attack on Gen. Hancock's right and rear. Gen. Hancock immediately faced his corps to meet it, and after a bloody combat drove the enemy within his works, and withdrew that night to his old position.

In support of this movement Gen. Butler made a demonstration on the north side of the James, and attacked the enemy on the Williamsburgh road, and also on the York River Railroad. In the former he was unsuccessful; in the latter he succeeded in carrying a work which was afterward abandoned, and his force withdrawn to their former positions.

From this time forward the operations in front of Petersburgh and Richmond, until the Spring campaign of 1865, were confined to the defence and extension of our lines, and to offensive movements for crippling the enemy's line of communication, and to prevent his detaching any considerable force to send south. By the 7th of February our lines were extended to Hatcher's Run, and the Weldon Railroad had been destroyed to Hicksford.

SHERMAN'S CAMPAIGN FROM CHATTANOOGA TO ATLANTA.

Gen. Sherman moved from Chattanooga on the 6th of May, with the Armies of the Cumberland, Tennessee and Ohio, commanded, respectively, by Gens. Thomas, McPherson and Schofield, upon Johnston's army at Dalton; but finding the enemy's position at Buzzard Roost, covering Dalton, too strong to be assaulted, Gen. McPherson was sent through Snake Gap to turn it, while Gens. Thomas and Schofield threatened it in front and on the north. This movement was successful. Johnston, finding his retreat likely to be cut off, fell back to his fortified position at Resaca, where he was attacked on the afternoon of May 15. A heavy battle ensued. During the night the enemy retreated south. Late on the 17th, his rear guard was overtaken near Adairsville, and heavy skirmishing followed. The next morning, however, he had again disappeared. He was vigorously pursued and was overtaken at Cassville on the 19th, but, during the ensuing night, retreated across the Etowah. While these operations were going on, Gen. Jefferson C. Davis' division of Thomas' army was sent to Rome, capturing it with its forts and artillery and its valuable mills and foundries. Gen. Sherman having given his army a few days' rest at this point, again put it in motion on the 23d for Dallas, with a view of turning the difficult pass at Allatoona. On the afternoon of the 25th the advance, under Gen. Hooker, had a severe battle with the enemy, driving him back to New-Hope Church, near Dallas. Several sharp encounters occurred at this point. The most important was on the 28th, when the enemy assaulted Gen. McPherson at Dallas, but received a terrible and bloody repulse.

On the 4th of June Johnston abandoned his intrenched position at New-Hope Church and retreated to the strong positions of Kenesaw, Pine, and Lost Mountains. He was forced to yield the two last named places and concentrate his army on Kenesaw, where, on the 27th, Gens. Thomas and McPherson made a determined but unsuccessful assault. On the night of the 2d of July Sherman commenced moving his army by the right flank, and on the morning of the 3d found that the enemy, in consequence of this movement, had abandoned Kenesaw and retreated across the Chattahoochie.

Gen. Sherman remained on the Chattahoochie to give his men rest and get up stores until the 17th of July, when he resumed his operations, crossed the Chattahoochie, destroyed a large portion of the railroad to Augusta, and drove the enemy back to Atlanta. At this place Gen. Hood succeeded Gen. Johnston in command of the rebel army, and assuming the offensive-defensive policy, made several severe attacks upon Sherman in the vicinity of Atlanta, the most desperate and determined of which was on the 22d of July. About 1 P. M. of this day the brave, accomplished, and noble-hearted McPherson was killed. Gen. Logan succeeded him, and commanded the army of the Tennessee through this desperate battle, and until he was superseded by Major-Gen. Howard on the 26th, with the same success and ability that had characterized him in the command of a corps or division.

In all these attacks the enemy was repulsed with great loss. Finding it impossible to entirely invest the place, Gen. Sherman, after securing his line of communications across the Chattahoochie, moved his main force round by the enemy's left flank upon the Montgomery and Macon roads, to draw the enemy from his fortifications. In this he succeeded, and, after defeating the enemy near Rough and Ready, Jonesboro', and Lovejoy's, forcing him to retreat to the south, on the 2d of September occupied Atlanta, the objective point of his campaign.

About the time of this move the rebel cavalry, under Wheeler, attempted to cut his communications in the rear, but was repulsed at Dalton and driven into East Tennessee, whence it proceeded west to McMinnville, Murfreesboro', and Franklin, and was finally driven south of the Tennessee. The damage done by this raid was repaired in a few days.

During the partial investment of Atlanta, Gen. Rousseau joined Gen. Sherman with a force of cavalry from Decatur, having made a successful raid upon the Atlanta and Montgomery Railroad, and its branches near Opelika. Cavalry raids were also made by Gens. McCook, Garrard and Stoneman to cut the remaining railroad communication with Atlanta. The first two were successful—the latter disastrous.

A TRIBUTE TO SHERMAN.

Gen. Sherman's movement from Chattanooga to Atlanta was prompt, skillful and brilliant. The history of his flank movements and battles during that memorable campaign will ever be read with an interest unsurpassed by anything in history.

His own report, and those of his subordinate commanders accompanying it, give the details of that most successful campaign.

He was dependent for the supply of his armies upon a single-track railroad from Nashville to the point where he was operating. This passed the entire distance through a hostile country, and every foot of it had to be protected by troops. The cavalry force of the enemy under Forrest, in northern Mississippi, was evidently waiting for Sherman to advance far enough into the mountains of Georgia to make a retreat disastrous, to get upon his line and destroy it beyond the possibility of further use. To guard against this danger, Sherman left what he supposed to be a sufficient force to operate against Forrest in West Tennessee. He directed Gen. Washburn, who commanded there, to send Brig.-Gen. S. D. Sturgis in command of this force to attack him. On the morning of the 10th of June Gen. Sturgis met the enemy near Guntown, Miss., was badly beaten, and driven back in utter rout and confusion to Memphis, a distance of about one hundred miles, hotly pursued by the enemy. By this, however, the enemy was defeated in his designs upon Gen. Sherman's line of communications. The persistency with which he followed up this success exhausted him, and made a season for rest and repairs necessary. In the mean time Major-Gen. A. J. Smith, with the troops of the Army of the Tennessee that had been sent by Gen. Sherman to Gen. Banks, arrived at Memphis on their return from Red River, where they had done most excellent service. He was directed by Gen. Sherman to immediately take the offensive against Forrest. This he did, with the promptness and effect which has characterized his whole military career. On the 14th of July he met the enemy at Tupelo, Miss., and whipped him badly. The fighting continued through three days. Our loss was small compared with that of the enemy. Having accomplished the object of his expedition, Gen. Smith returned to Memphis.

FORREST'S ANNOYANCE IN KENTUCKY—THE MASSACRE AT FORT PILLOW.

During the months of March and April this same force under Forrest annoyed us considerably. On the 24th of March it captured Union City, Ky., and its garrison, and on the 24th attacked Paducah, commanded by Col. S. G. Hicks, Fortieth Illinois Volunteers. Col. Hicks, having but a small force, withdrew to the forts near the river, from where he repulsed the enemy and drove him from the place.

On the 13th of April part of this force, under the rebel Gen. Buford, summoned the garrison of Columbus, Ky., to surrender, but received for reply from Col. Lawrence, Thirty-fourth New-Jersey Volunteers, that being placed there by his government with adequate force to hold his post and repel all enemies from it, surrender was out of the question.

On the morning of the same day Forrest attacked Fort Pillow, Tenn., garrisoned by a detachment of Tennessee cavalry and the First Regiment Alabama colored troops, commanded by Major Booth. The garrison fought bravely until about 3 o'clock in the afternoon, when the enemy carried the works by assault; and, after our men threw down their arms, proceeded in an inhuman and merciless massacre of the garrison.

On the 14th, Gen. Buford, having failed at Columbus, appeared before Paducah, but was again driven off.

Guerrillas and raiders, seemingly emboldened by Forrest's operations, were also very active in Kentucky. The most noted of these was Morgan. With a force of from two to three thousand cavalry, he entered the State through Pound Gap in the latter part of May. On the 11th of June he attacked and captured Cynthiana, with its entire garrison. On the 12th he was overtaken by Gen. Burbridge, and completely routed with heavy loss, and was finally driven out of the State. This notorious guerrilla was afterwards surprised and killed near Greenville, Tenn., and his command captured and dispersed by Gen. Gillem.

OUR REVERSES ON THE RED RIVER.

In the absence of official reports at the commencement of the Red River expedition, except so far as relates to the movements of the troops sent by Gen. Sherman under A. J. Smith, I am unable to give the date of its starting. The troops under Gen. Smith, comprising two divisions of the Sixteenth and a detachment of the Seventeenth Army Corps, left Vicksburg on the 10th of March, and reached the designated point on Red River one day earlier than that appointed by Gen. Banks. The rebel forces at Fort De Russey, thinking to defeat him, left the fort on the 14th to give him battle in the open field; but, while occupying the enemy with skirmishing and demonstrations, Smith pushed forward to Fort De Russey, which had been left with a weak garrison, and captured it with its garrison, about 350 men, 11 pieces of artillery, and many small arms. Our loss was but slight. On the 15th he pushed forward to Alexandria, which place he reached on the 18th. On the 21st he had an engagement with the enemy at Henderson Hill, in which he defeated him, capturing 210 prisoners and 4 pieces of artillery.

On the 28th he again attacked and defeated the enemy under the rebel Gen. Taylor at Cane River. By the 26th Gen. Banks had assembled his whole army at Alexandria, and pushed forward to Grand Ecore. On the morning of April 6 he moved from Grand Ecore. On the afternoon of the 7th his advance engaged the enemy near Pleasant Hill, and drove him from the field. On the same afternoon the enemy made a stand eight miles beyond Pleasant Hill, but was again compelled to retreat. On the 8th, at Sabine Cross-roads and Peach Hill, the enemy attacked and defeated his advance, capturing nineteen pieces of artillery and an immense amount of transportation and stores. During the night Gen. Banks fell back to Pleasant Hill, where another battle was fought on the 9th, and the enemy repulsed with great loss. During the night Gen. Banks continued his retrograde movement to Grand Ecore, and thence to Alexandria, which he reached on the 27th of April. Here a serious difficulty arose in getting Admiral Porter's fleet which accompanied the expedition, over the rapids, the water having fallen so much since they passed up as to prevent their return. At the suggestion of Col. (now Brigadier-General) Bailey, and under his superintendence, wing-dams were constructed, by which the channel was contracted so that the fleet passed down the rapids in safety.

The army evacuated Alexandria on the 14th of May, after considerable skirmishing with the enemy's advance, and reached Morganzia and Point Coupée near the end of the month. The disastrous termination of this expedition, and the lateness of the season, rendered impracticable the carrying out of my plan of a movement in force sufficient to insure the capture of Mobile.

On the 23d of March Major-Gen. Steele left Little Rock with the Seventh Army Corps to coöperate with Gen. Banks' expedition on Red River, and reached Arkadelphia on the 28th. On the 16th of April, after driving the enemy before him, he was joined near Elkin's ferry, in Washita County, by Gen. Thayer, who had marched from Fort Smith. After several severe skirmishes, in which the enemy was defeated, Gen. Steele reached Camden, which he occupied about the middle of April.

On learning the defeat and consequent retreat of Gen. Banks on Red River, and the loss of one of his own trains at Mark's Mill, in Dallas County, Gen. Steele determined to fall back to the Arkansas River. He left Camden on the 26th of April, and reached Little Rock on the 2d of May. On the 30th of April the enemy attacked him while crossing Saline River at Jenkins' Ferry, but was repulsed with considerable loss. Our loss was about 600 in killed, wounded and prisoners.

Major-Gen. Canby, who had been assigned to the command of the Military Division of West Mississippi, was therefore directed to send the Nineteenth Army Corps to join the armies operating against Richmond, and to limit the remainder of his command to such operations as might be necessary to hold the positions and lines of communications he then occupied.

Before starting Gen. A. J. Smith's force back to Sherman, Gen. Canby sent a part of it to disperse a force of the enemy that was collecting near the Mississippi River. Gen. Smith met and defeated this force near Lake Chicot on the 5th of June. Our loss was about 40 killed and 70 wounded.

CAPTURE OF FORT MORGAN.

In the latter part of July, Gen. Canby sent Maj.-Gen. Gordon Granger, with such forces as he could collect, to coöperate with Admiral Farragut against the defences of Mobile Bay. On the 8th of August Fort Gaines surrendered to the combined naval and land forces. Fort Powell was blown up and abandoned.

On the 9th Fort Morgan was invested, and, after a severe bombardment, surrendered on the 23d. The total captures amounted to 1,464 prisoners and 104 pieces of artillery.

OPERATIONS IN ARKANSAS.

About the last of August, it being reported that the rebel Gen. Price, with a force of about 10,000 men, had reached Jacksonport, on his way to invade Missouri, Gen. A. J. Smith's command, then en route from Memphis to join Sherman, was ordered to Missouri. A cavalry force was also at the same time sent from Memphis, under command of Col. Winslow. This made Gen. Rosecrans' forces superior to those of Price, and no doubt was entertained he would be able to check Price and drive him back, while the forces under Gen. Steele, in Arkansas, would cut off his retreat. On the 26th day of September Price attacked Pilot Knob and forced the garrison to retreat, and thence moved north to the Missouri River, and continued up that river toward Kansas. Gen. Curtis, commanding Department of Kansas, immediately collected such forces as he could to repel the invasion of Kansas, while Gen. Rosecrans' cavalry was operating in his rear.

The enemy was brought to battle on the Big Blue and defeated, with the loss of nearly all his artillery and train, and a large number of prisoners. He made a precipitate retreat to Northern Arkansas. The impunity with which Price was enabled to roam over the State of Missouri for a long time, and the incalculable mischief done by him, shows to how little purpose a superior force may be used. There is no reason why Gen. Rosecrans should not have concentrated his forces, and beaten and driven Price before the latter reached Pilot Knob.

FORREST'S ATTACK UPON ATHENS.

Sept. 20, the enemy's cavalry, under Forrest, crossed the Tennessee near Waterloo, Ala., and on the 23d, attacked the garrison at Athens, consisting of six hundred men, which capitulated on the 24th. Soon after the surrender, two regiments of reinforcements arrived, and after a severe fight were compelled to surrender. Forrest destroyed the railroad westward, captured the garrison at Sulphur Branch trestle, skirmished with the garrison at Pulaski on the 27th, and on the same day cut the Nashville and Chattanooga Railroad near Tullahoma and Dechard. On the morning of the 30th, one column of Forrest's command, under Buford, appeared before Huntsville, and summoned the surrender of the garrison. Receiving an answer in the negative, he remained in the vicinity of the place until next morning, when he again summoned its surrender, and received the same reply as on the night before. He withdrew in the direction of Athens, which place had been regarrisoned, and attacked it on the afternoon of the 1st of October, but without success. On the morning of the 2d he renewed his attack, but was handsomely repulsed.

Another column under Forrest appeared before Columbia on the morning of the 1st, but did not make an attack. On the morning of the 3d, he moved toward Mount Pleasant. While these operations were going on every exertion was made by Gen. Thomas to destroy the forces under Forrest before he could recross the Tennessee, but was unable to prevent his escape to Corinth, Miss.

In September an expedition under Gen. Burbridge was sent to destroy the salt-works at Saltville, Va. He met the enemy on the 2d of October, about 3½ miles from Saltville, and drove him into his strongly intrenched position around the salt-works, from which he was unable to dislodge him. During the night he withdrew his command and returned to Kentucky.

SHERMAN PREPARES FOR HIS "MARCH TO THE SEA."

Gen. Sherman, immediately after the fall of Atlanta, put his armies in camp in and about the place, and made all preparations for refitting and supplying them for future service. The great length of road from Atlanta to the Cumberland River, however, which had to be guarded, allowed the troops but little rest.

During this time Jefferson Davis made a speech in Macon, Ga., which was reported in the papers of the South, and soon became known to the whole country, disclosing the plans of the enemy, thus enabling Gen. Sherman to fully meet them. He exhibited the weakness of supposing that an army that had been beaten and fearfully decimated in a vain attempt at the defensive could successfully undertake the offensive against the army that had so often defeated it.

In execution of this plan, Hood, with his army, was soon reported to the southwest of Atlanta. Moving far to Sherman's right, he succeeded in reaching the railroad about Big Shanty, and moved north on it.

Gen. Sherman leaving a force to hold Atlanta, with the remainder of his army fell upon him and drove him to Gadston, Alabama. Seeing the constant annoyance he would have with the roads to his rear if we attempted to hold Atlanta, Gen. Sherman proposed the abandonment and destruction of that place, with all the railroads leading to it, and telegraphed me as follows:

CENTREVILLE, Ga., Oct. 10—Noon.

Dispatch about Wilson just received. Hood is now crossing Coosa river, 12 miles below Rome, bound west. If he passes over the Mobile and Ohio road, had I not better execute the plan of my letter sent by Col. Porter, and leave Gen. Thomas, with the troops now in Tennessee, to defend the State? He will have an ample force when the reinforcements ordered reach Nashville.

W. T. SHERMAN, Major-Gen.

Lieut.-Gen. Grant.

For a full understanding of the plan referred to in this dispatch, I quote from the letter sent by Col. Porter: "I will therefore give my opinion, that your army and Canby's should be reinforced to the maximum; that, after you get Wilmington, you strike for Savannah and the river; that Canby be instructed to hold the Mississippi River, and send a force to get Columbus, Ga., either by the way of the Alabama or the Appalachicola, and that I keep Hood employed and and put my army in final order for a march on Augusta, Columbia and Charleston, to be ready as soon as Wilmington is sealed as to commerce, and the city of Savannah is in our possession." This was in reply to a letter of mine of date Sept. 12, in answer to a dispatch of his containing substantially the same proposition, and in which I informed him of a proposed movement against Wilmington, and of the situation in Viagnia, &c.

CITY POINT, Va., Oct. 11, 1864—11 A. M.

Your dispatch of Oct. 10 received. Does it not look as if Hood was going to attempt the invasion of Middle Tennessee, using the Mobile and Ohio and Memphis and Charleston roads to supply his base on the Tennessee River, about Florence or Decatur? If he does this he ought to be met and prevented from getting north of the Tennessee River. If you were to cut loose, I do not believe you would meet Hood's army, but would be bushwhacked by all the old men, little boys, and such railroad guards as are still left at home. Hood would probably strike at Nashville, thinking that by going north he could inflict greater damage upon us than we could upon the rebels by going south. If there is any way of getting at Hood's army I would prefer that; but I must trust to your own judgment. I find I shall not be able to send a force from here to act with you on Savannah. Your movements, therefore, will be independent of mine; at least until the fall of Richmond takes place. I am afraid Thomas, with such lines of road as he has to protect, could not prevent Hood from going north. With Wilson turned loose, with all your cavalry, you will find the rebels put much more on the defensive than heretofore.

U. S. GRANT, Lieut.-General.

Maj.-Gen. W. T. Sherman.

KINGSTON, Ga., Oct. 11—11 A. M.

Hood moved his army from Palmetto Station across by Dallas and Cedartown, and is now on the Coosa River, south of Rome. He threw one corps on my road at Acworth, and I was forced to follow. I hold Atlanta with the Twentieth Corps, and have strong detachments along my line. This reduces my active force to a comparatively small army. We cannot remain here on the defensive. With the 25,000 men and the bold cavalry he has, he will constantly break my roads. I would infinitely prefer to make a wreck of the road, and of the country from Chattanooga to Atlanta, including the latter city—send back all my wounded and worthless, and, with my effective army, move through Georgia, smashing things, to the sea. Hood may turn into Tennessee and Kentucky, but I believe he will be forced to follow me. Instead of my being on the defensive, I would be on the offensive; instead of guessing at what he means to do, he would have to guess at my plans. The difference in war is full twenty-five per cent. I can make Savannah, Charleston, or the mouth of the Chattahoochee.

Answer quick, as I know we will not have the telegraph long.

W. T. SHERMAN, Major-General.

Lieut-Gen. Grant.

CITY POINT, Va., Oct. 11, 1864—11:30 P. M.

Your dispatch of to-day received. If you are satisfied the trip to the sea-coast can be made, holding the line of the Tennessee River firmly, you may make it, destroying all the railroad south of Dalton or Chattanooga, as you think best.

U. S. GRANT, Lieutenant-General.

Major-Gen. W. T. Sherman.

It was the original design to hold Atlanta, and by getting through to the coast, with a garrison left on the Southern railroads leading east and west through Georgia, to effectually sever the east from the west. In other words, cut the would-be Confederacy in two again, as it had been cut once by our gaining possession of the Mississippi River. Gen. Sherman's plan virtually effected this object.

SHERMAN BEGINS HIS GREAT MARCH.

Gen. Sherman commenced at once his preparations for his proposed movement, keeping his army in position in the meantime to watch Hood. Becoming satisfied that Hood had moved westward from Gadsden across Sand Mountain, Gen. Sherman sent the Fourth Corps, Major-Gen. Stanley commanding, and the Twenty-third Corps, Major-Gen. Schofield commanding, back to Chattanooga to report to Major-Gen. Thomas, at Nashville, whom he had placed in command of all the troops of his military division, save the four army corps and cavalry division he designed to move with through Georgia. With the troops thus left at his disposal, there was little doubt that Gen. Thomas could hold the line of the Tennessee, or in the event Hood should force it, would be able to concentrate and beat him in battle. It was therefore readily consented to that Sherman should start for the sea-coast.

Having concentrated his troops at Atlanta by the 14th of November, he commenced his march, threatening both Augusta and Macon. His coming-out point could not be definitely fixed. Having to gather his subsistence as he marched through the country, it was not impossible that a force inferior to his own might compel him to head for such point as he could reach, instead of such as he might prefer. The blindness of the enemy, however, in ignoring his movement, and sending Hood's army, the only considerable force he had west of Richmond and east of the Mississippi River, northward on an offensive campaign, left the whole country open, and Sherman's route to his own choice.

How that campaign was conducted, how little opposition was met with, the condition of the country through which the armies passed, the capture of Fort McAllister, on the Savannah River, and the occupation of Savannah of the 21st of December, are all clearly set forth in Gen. Sherman's admirable report.

CUTTING REBEL RAILROADS IN THE SOUTH.

Soon after Gen. Sherman commenced his march from Atlanta, two expeditions, one from Baton Rouge, La., and one from Vicksburgh, Miss., were started by Gen. Canby, to cut the enemy's line of communication with Mobile and detain troops in that field. Gen. Foster, commanding Department of the South, also sent an expedition, via Broad River, to destroy the railroad between Charleston and Savannah. The expedition from Vicksburgh, under command of Brevet Brig.-Gen. E. D. Osband, (Colonel Third United States Colored Cavalry,) captured, on the 27th of November, and destroyed the Mississippi Central Railroad-bridge and trestle-work over Big Black River, near Canton, thirty miles of the road and two locomotives, beside large amounts of stores. The expedition from Baton Rouge was without favorable results. The expedition from the Department of the South, under the immediate command of Brig.-Gen. John P. Hatch, consisting of about five thousand men of all arms, including a brigade from the navy, proceeded up Broad River and debarked at Boyd's Neck on the 29th of November, from where it moved to strike the railroad at Grahamsville. At Honey Hill, about three miles from Grahamsville, the enemy was found and attacked in a strongly fortified position, which resulted, after severe fighting, in our repulse with a loss of 746 in killed, wounded and missing. During the night Gen. Hatch withdrew. On the 6th of December Gen. Foster obtained a position covering the Charleston and Savannah Railroad, between Coosawhatchie and Tulifinny rivers.

THE MOVEMENTS OF HOOD'S ARMY.

Hood, instead of following Sherman, continued his move northward, which seemed to me to be leading to his certain doom. At all events, had I had the power to command both armies, I should not have changed the orders under which he seemed to be acting. On the 24th of October the advance of Hood's army attacked the garrison at Decatur, Ala., but failing to carry the place, withdrew toward Courtland, and succeeded, in the face of our cavalry, in effecting a lodgment on the north side of the Tennessee River, near Florence. On the 28th Forrest reached the Tennessee, at Fort Hieman, and captured a gunboat and three transports. On the 2d of November he planted batteries above and below Johnsonville, on the opposite side of the river, isolating three gunboats and eight transports. On the 4th the enemy opened his batteries upon the place, and was replied to from the gunboats and the garrison. The gunboats becoming disabled were set on fire, as also were the transports, to prevent their falling into the hands of the enemy. About a million and a half dollars' worth of stores and property on the levee and in storehouses was consumed by fire. On the 5th the enemy disappeared and crossed to the north side of the Tennessee River, above Johnsonville, moving toward Clifton, and subsequently joined Hood. On the night of the 5th, Gen. Schofield, with the advance of the Twenty-third Corps, reached Johnsonville, but finding the enemy gone, was ordered to Pulaski, and put in command of all the troops there, with instructions to watch the movements of Hood, and retard his advance, but not to risk a general engagement until the arrival of Gen. A. J. Smith's command from Missouri, and until Gen. Wilson could get his cavalry remounted.

On the 19th Gen. Hood continued his advance. Gen. Thomas, retarding him as much as possible, fell back toward Nashville for the purpose of concentrating his command, and gaining time for the arrival of reinforcements. The enemy coming up with our main force, commanded by Gen. Schofield, at Franklin, on the 30th, assaulted our works repeatedly during the afternoon until late at night, but were in every instance repulsed. His loss in this battle was 1,750 killed, 702 prisoners, and 3,800 wounded. Among his losses were six general officers killed, six wounded, and one captured. Our entire loss was 2,300. This was the first serious opposition the enemy met with, and I am satisfied was the fatal blow to all his expectations. During the night, Gen. Schofield fell back toward Nashville. This left the field to the enemy—not lost by the battle, but voluntarily abandoned—so that Gen. Thomas' whole force might be brought together. The enemy followed up, and commenced the establishment of his line in front of Nashville on the 2d of December.

As soon as it was ascertained that Hood was crossing the Tennessee River, and that Price was going out of Missouri, Gen. Rosecrans was ordered to send to Gen. Thomas the troops of Gen. A. J. Smith's command and such other troops as he could spare. The advance of this reinforcement reached Nashville on the 30th of November.

On the morning of the 15th of December Gen. Thomas attacked Hood in position, and, in a battle lasting two days, defeated and drove him from the field in the utmost confusion, leaving in our hands most of his artillery and many thousand prisoners, including four general officers.

GEN. GRANT'S ANXIETY ABOUT THOMAS.

Before the battle of Nashville I grew very impatient over, as it appeared to me, the unnecessary delay. This impatience was increased upon learning that the enemy had sent a force of cavalry across the Cumberland into Kentucky. I feared Hood would cross his whole army and give us great trouble there. After urging upon Gen. Thomas the necessity of immediately assuming the offensive, I started West to superintend matters there in person. Reaching Washington City, I received Gen. Thomas' dispatch announcing his attack upon the enemy, and the result as far as the battle had progressed. I was delighted. All fears and apprehensions were dispelled. I am not yet satisfied but that Gen. Thomas, immediately upon the appearance of Hood before Nashville, and before he had time to fortify, should have moved out with his whole force and given him battle, instead of waiting to remount his cavalry, which delayed him until the inclemency of the weather made it impracticable to attack earlier than he did. But his final defeat of Hood was so complete that it will be accepted as a vindication of that distinguished officer's judgment.

After Hood's defeat at Nashville he retreated, closely pursued by cavalry and infantry, to the Tennessee River, being forced to abandon many pieces of artillery and most of his transportation. On the 28th of December our advance forces ascertained that he had made good his escape to the south side of the river.

About this time, the rains having set in heavily in Tennessee and North Alabama, making it difficult to move army transportation and artillery, Gen. Thomas stopped the pursuit by his main force at the Tennessee River. A small force of cavalry, under Col. W. J. Palmer, Fifteenth Pennsylvania Volunteers, continued to follow Hood for some distance, capturing considerable transportation and the enemy's pontoon bridge. The details of these operations will be found clearly set forth in Gen. Thomas' report.

GRIERSON ON ANOTHER RAID.

A cavalry expedition, under Brevet Maj.-Gen. Grierson, started from Memphis on the 21st of December. On the 25th he surprised and captured Forrest's dismounted camp at Verona, Miss., on the Mobile and Ohio Railroad, destroyed the railroad, sixteen cars loaded with wagons and pontoons for Hood's army, 4,000 new English carbines, and large amounts of public stores. On the morning of the 28th he attacked and captured a force of the enemy at Egypt, and destroyed a train of fourteen cars; thence turning to the southwest, he struck the Mississippi Central Railroad at Winona, destroyed the factories and large amounts of stores at Bankston, and the machine-shops and public property at Grenada, arriving at Vicksburgh Jan. 5.

OPERATIONS IN EAST TENNESSEE.

During these operations in Middle Tennessee, the enemy, with a force under Gen. Breckinridge, entered East Tennessee. On the 13th of November, he attacked Gen. Gillem, near Morristown, capturing his artillery and several hundred prisoners. Gillem, with what was left of his command, retreated to Knoxville. Following up his success, Breckinridge moved to near Knoxville, but withdrew on the 18th, followed by Gen. Ammen. Under the directions of Gen. Thomas, Gen. Stoneman concentrated the commands of Gens. Burbridge and Gillem near Bean's Station, to operate against Breckinridge, and destroy or drive him into Virginia; destroy the salt works at Saltville and the railroad into Virginia as far as he could go without endangering his command. On the 12th of December he commenced his movement, capturing and dispersing the enemy's forces wherever he met them. On the 16th he struck the enemy, under Vaughn, at Marion, completely routing and pursuing him to Wytheville, capturing all his artillery, trains and 198 prisoners, and destroyed Wytheville, with its stores and supplies, and the extensive lead works near there. Returning to Marion, he met a force under Breckinridge, consisting, among other troops, of the garrison of Saltville, that had started in pursuit. He at once made arrangements to attack it the next morning, but morning found Breckinridge gone. He then moved directly to Saltville, and destroyed the extensive salt works at that place, a large amount of stores, and captured eight pieces of artillery. Having thus successfully executed his instructions, he returned Gen. Burbridge to Lexington and Gen. Gillem to Knoxville.

THE FORT FISHER FAILURE—GEN. BUTLER'S STRANGE CONDUCT.

Wilmington, N. C., was the most important seacoast port left to the enemy through which to get supplies from abroad, and send cotton and other products out by blockade-runners, besides being a place of great strategic value. The navy had been making strenuous exertions to seal the harbor of Wilmington, but with only partial effect. The nature of the outlet of Cape Fear River was such that it required watching for so great a distance, that without possession of the land north of New Inlet, or Fort Fisher, it was impossible for the navy to entirely close the harbor against the entrance of blockade-runners.

To secure the possession of this land required the coöperation of a land force, which I agreed to furnish. Immediately commenced the assemblage in Hampton Roads, under Admiral D. D. Porter, of the most formidable armament ever collected for concentration upon one given point. This necessarily attracted the attention of the enemy, as well as that of the loyal North; and through the imprudence of the public press, and very likely of officers of both branches of service, the exact object of the expedition became a subject of common discussion in the newspapers both North and South. The enemy, thus warned, prepared to meet it. This caused a postponement of the expedition until the latter part of November, when, being again called upon by Hon. G. V. Fox, Assistant Secretary of the Navy, I agreed to furnish the men required at once, and went myself, in company with Major-Gen. Butler, to Hampton Roads, where we had a conference with Admiral Porter as to the force required and the time of starting. A force of 6,500 men was regarded as sufficient. The time of starting was not definitely arranged, but it was thought all would be ready by the 6th of December, if not before. Learning on the 30th of November that Bragg had gone to Georgia, taking with him most of the forces about Wilmington, I deemed it of the utmost importance that the expedition should reach its destination before the return of Bragg, and directed Gen. Butler to make all arrangements for the departure of Major-Gen. Weitzel, who had been designated to command the land forces, so that the navy might not be detained one moment.

On the 6th of December the following instructions were given:

CITY POINT, Va., Dec. 6, 1864.

GENERAL: The first object of the expedition under Gen Weitzel is to close to the enemy the port of Wilmington. If successful in this, the second will be to capture Wilmington itself. There are reasonable grounds to hope for success, if advantage can be taken of the absence of the greater part of the enemy's forces now looking after Sherman in Georgia. The directions you have given for the numbers and equipment of the expedition are all right, except in the unimportant matter of where they embark and the amount of intrenching tools to be taken. The object of the expedition will be gained by effecting a landing on the main land between Cape Fear River and the Atlantic, north of the north entrance to the river. Should such landing be effected while the enemy still holds Fort Fisher and the batteries guarding the entrance to the river, then the troops should intrench themselves, and, by coöperating with the navy, effect the reduction and capture of those places. These in our hands, the navy could enter the harbor, and the port of Wilmington would be sealed. Should Fort Fisher and the point of land on which it is built fall into the hands of our troops immediately on landing, then it will be worth the attempt to capture Wilmington by a forced march and surprise. If time is consumed in gaining the first object of the expedition, the second will become a matter of after consideration.

The details for execution are intrusted to you and the officer immediately in command of the troops.

Should the troops under Gen. Weitzel fail to effect a landing at or near Fort Fisher, they will be returned to the armies operating against Richmond without delay.

U. S. GRANT, Lieutenant-General.

Major-Gen. B. F. Butler.

Gen. Butler commanding the army from which the troops were taken for this enterprise, and the territory in which they were to operate, military courtesy required that all orders and instructions should go through him. They were so sent; but Gen. Weitzel has since officially informed me that he never received the foregoing instructions, nor was he aware of their existence until he read Gen. Butler's published official report of the Fort Fisher failure, with my indorsement and papers accompanying it. I had no idea of Gen. Butler's accompanying the expedition until the evening before it got off from Bermuda Hundreds, and then did not dream but that Gen. Weitzel had received all the instructions, and would be in command. I rather formed the idea that Gen. Butler was actuated by a desire to witness the effect of the explosion of the powder-boat. The expedition was detained several days at Hampton Roads, awaiting the loading of the powder-boat.

The importance of getting the Wilmington expedition off without any delay, with or without the powder-boat, had been urged upon Gen. Butler, and he advised to so nofify Admiral Porter.

The expedition finally got off on the 13th of December, and arrived at the place of rendezvous, off New Inlet, near Fort Fisher, on the evening of the 15th. Admiral Porter arrived on the evening of the 18th, having put in at Beaufort to get ammunition for the monitors. The sea becoming rough, making it difficult to land troops, and the supply of water and coal being about exhausted, the transport fleet put back to Beaufort to replenish. This, with the state of the weather, delayed the return to the place of rendezvous until the 24th. The powder-boat was exploded on the morning of the 24th, before the return of Gen. Butler from Beaufort; but it would seem from the notice taken of it in the Southern newspapers, that the enemy were never enlightened as to the object of the explosion until they were informed by the Northern press.

On the 25th a landing was effected without opposition, and a reconnoissance, under Brevet Brig.-Gen. Curtis, pushed up toward the fort. But before receiving a full report of the result of this reconnoissance, Gen. Butler, in direct violation of the instructions given, ordered the reëmbarkation of the troops and the return of the expedition.

The reëmbarkation was accomplished by the morning of the 27th.

On the return of the expedition, officers and men—among them Brevet Major-General (then Brevet Brigadier-General) M. R. Curtis, First Lieut. G. W. Ross, —— Regiment Vermont Volunteers, First Lieut. Geo. W. Walling and Second Lieut. Geo. Simpson, One Hundred and Forty-second New-York Volunteers, voluntarily reported to me that when recalled they were nearly into the fort, and, in their opinion, it could have been taken without much loss.

THE SUCCESSFUL ATTACK UNDER GEN. TERRY.

Soon after the return of the expedition I received a dispatch from the Secretary of the Navy and a letter from Admiral Porter, informing me that the fleet was still off Fort Fisher, and expressing the conviction that, under a proper leader, the place could be taken. The natural supposition with me was that, when the troops abandoned the expedition, the navy would do so also. Finding it had not, however, I answered on the 30th of December, advising Admiral Porter to hold on, and that I would send a force and make another attempt to take the place. This time I selected Brevet Maj.-Gen. (now Major-General) A. H. Terry to command the expedition. The troops composing it consisted of the same that composed the former, with the addition of a small brigade, numbering about 1,500, and a small siege train. The latter it was never found necessary to land. I communicated direct to the commander of the expedition the following instructions:

CITY POINT, Va., Jan. 3, 1865.

GENERAL: The expedition intrusted to your command has been fitted out to renew the attempt to capture Fort Fisher, N. C., and Wilmington ultimately, if the fort falls. You will, then, proceed with as little delay as possible to the naval fleet lying off Cape Fear River, and report the arrival of yourself and command to Admiral D. D. Porter, commanding North Atlantic blockading squadron.

It is exceedingly desirable that the most complete understanding should exist between yourself and the naval commander. I suggest, therefore, that you consult with Admiral Porter freely and get from him the part to be performed by each branch of the public service, so that there may be unity of action. It would be well to have the whole programme laid down in writing. I have served with Admiral Porter, and know that you can rely on his judgment and his nerve to undertake what he proposes. I would, therefore, defer to him as much as is consistent with your own responsibilities. The first object to be attained is to get a firm position on the spit of land on which Fort Fisher is built, from which you can operate against that fort. You want to look to the practicability of receiving your supplies, and to defending yourself against superior forces sent against you by any of the avenues left open to the enemy. If such a position can be obtained, the siege of Fort Fisher will not be abandoned until its reduction is accomplished or another plan of campaign is ordered from these headquarters.

My own views are that, if you effect a landing, the navy ought to run a portion of their fleet into Cape Fear River, while the balance of it operates on the outside. Land forces cannot invest Fort Fisher, or cut it off from supplies or reinforcements, while the river is in possession of the enemy.

A siege train will be loaded on vessels and sent to Fort Monroe, in readiness to be sent to you if required. All other supplies can be drawn from Beaufort as you need them.

Keep the fleet of vessels with you until your position is assured. When you find they can be spared, order them back, or such of them as you can spare, to Fort Monroe, to report for orders.

In case of failure to effect a landing, bring your command back to Beaufort, and report to these headquarters for further orders. You will not debark at Beaufort until so directed.

Gen. Sheridan has been ordered to send a division of troops to Baltimore, and place them on sea-going vessels. These troops will be brought to Fort Monroe and kept there on the vessels until you are heard from. Should you require them they will be sent to you.

U. S. GRANT, Lieutenant-General.

Brevet Major-Gen. A. H. Terry.

Lieut.-Col. C. B. Comstock, Aide-de-camp, (now Brevet Brigadier-General,) who accompanied the former expedition, was assigned in orders as Chief-Engineer to this.

It will be seen that these instructions did not differ materially from those given for the first expedition, and that in neither instance was there an order to assault Fort Fisher. This was a matter left entirely to the discretion of the commanding officer.

The expedition sailed from Fort Monroe on the morning of the 6th, arriving on the rendezvous, off Beaufort, on the 8th, where, owing to the difficulties of the weather, it lay until the morning of the 12th, when it got under way and reached its destination that evening. Under cover of the fleet the disembarkation of the troops commenced on the morning of the 13th, and by 3 o'clock P. M. was completed without loss. On the 14th a reconnoissance was pushed to within five hundred yards of Fort Fisher, and a small advance work taken possession of and turned into a defensive line against any attempt that might be made from the fort. This reconnoissance disclosed the fact that the front of the work had been seriously injured by the navy fire. In the afternoon of the 15th the fort was assaulted, and, after most desperate fighting, was captured with its entire garrison and armament. Thus was secured, by the combined efforts of the navy and army, one of the most important successes of the war. Our loss was: killed, 110; wounded, 536. On the 16th and 17th the enemy abandoned and blew up Fort Caswell and the works on Smith's Island, which were immediately occupied by us. This gave us entire control of the mouth of the Cape Fear River.

At my request Major-Gen. B. F. Butler was relieved, and Major-Gen. E. O. C. Ord assigned to the command of the department of Virginia and North Carolina.

SCOFIELD BROUGHT EAST TO HELP SHERMAN.

The defence of the line of the Tennessee no longer requiring the force which had beaten and nearly destroyed the only army threatening it, I determined to find other fields of operation for Gen. Thomas' surplus troops—fields from which they would coöperate with other movements. Gen. Thomas was therefore directed to collect all troops, not essential to hold his communications at Eastport, in readiness for orders. On the 7th of January Gen. Thomas was directed, if he was assured of the departure of Hood south from Corinth, to send Gen. Scofield with his corps east with as little delay as possible. This direction was promptly complied with, and the advance of the corps reached Washington on the 23d of the same month, whence it was sent to Fort Fisher and Newbern. On the 26th he was directed to send Gen. A. J. Smith's command and a division of cavalry to report to Gen. Canby. By the 7th of February the whole force was en route for its destination.

The State of North Carolina was constituted into a military department, and Gen. Scofield assigned to command, and placed under the orders of Major-Gen. Sherman. The following instructions were given him:

CITY POINT, Va., Jan. 31, 1865.

GENERAL: * * * Your movements are intended as coöperative with Sherman's through the States of South and North Carolina. The first point to be attained is to secure Wilmington. Goldsboro' will then be your objective point, moving either from Wilmington or Newbern, or both, as you deem best. Should you not be able to reach Goldsboro', you will advance on the line or lines of railway connecting that place with the sea-coast—as near to it as you can, building the road behind you. The enterprise under you has two objects: the first is to give Gen. Sherman material aid, if needed, in his march north; the second, to open a base of supplies for him on his line of march. As soon, therefore, as you can determine which of the two points, Wilmington or Newbern, you can best use for throwing supplies from to the interior, you will commence the accumulation of twenty days' rations and forage for 60,000 men and 20,000 animals. You will get of these as many as you can house and protect to such point in the interior as you may be able to occupy. I believe Gen. Palmer has received some instructions direct from Gen. Sherman on the subject of securing supplies for his army. You can learn what steps he has taken, and be governed in your requisitions accordingly. A supply of ordnance stores will also be necessary.

Make all requisitions upon the chiefs of their respective departments in the field with me at City Point. Communicate with me by every opportunity, and should you deem it necessary at any time, send a special boat to Fortress Monroe, from which point you can communicate by telegraph.

The supplies referred to in these instructions are exclusive of those required of your own command.

The movements of the enemy may justify, or even make it your imperative duty, to cut loose from your base and strike for the interior to aid Sherman. In such case you will act on your own judgment, without waiting for instructions. You will report, however, what you purpose doing. The details for carrying out these instructions are necessarily left to you. I would urge, however, if I did not know that you are already fully alive to the importance of it, prompt action. Sherman may be looked for in the neighborhood of Goldsboro' any time from the 22d to the 28th of February; this limits your time very materially.

If rolling stock is not secured in the capture of Wilmington, it can be supplied from Washington. A large force of railroad men have already been sent to Beaufort, and other mechanics will go to Fort Fisher in a day or two. On this point I have informed you by telegraph.

U. S. GRANT, Lieutenant-General.

Maj.-Gen. J. M. Schofield.

Previous to giving these instructions I had visited Fort Fisher, accompanied by Gen. Schofield, for the purpose of seeing for myself the condition of things, and personally conferring with Gen. Terry and Admiral Porter as to what was best to be done.

SHERMAN ORDERED TO SEND HELP TO MEADE.

Anticipating the arrival of Gen. Sherman at Savannah—his army entirely foot-loose, Hood being then before Nashville, Tenn., the Southern railroads destroyed, so that it would take several months to reestablish a through line from east to west, and regarding the capture of Lee's army as the most important operation toward closing the rebellion—I sent orders to Gen. Sherman, on the 6th of December, that after establishing a base on the sea-coast, with necessary garrison to include all his artillery and cavalry, to come by water to City Point with the balance of his command.

THE ORDER COUNTERMANDED.

On the 18th of December, having received information of the defeat and utter rout of Hood's army by Gen. Thomas, and that, owing to the great difficulty of procuring ocean transportation, it would take over two months to transport Sherman's army, and doubting whether he might not contribute as much toward the desired result by operating from where he was, I wrote to him to that effect, and asked him for his views as to what would be best to do. A few days after this I received a communication from Gen. Sherman, of date 16th December, acknowledging receipt of my order of the 6th, and informing me of his preparations to carry it into effect as soon as he could get transportation. Also, that he had expected, upon reducing Savannah, instantly to march to Columbia, S. C., thence to Raleigh, and thence to report to me; but that this would consume about six weeks' time after the fall of Savannah, whereas by sea he could probably reach me by the middle of January. The confidence he manifested in this letter of being able to march up and join me pleased me, and, without waiting for a reply to my letter of the 18th, I directed him, on the 28th of December, to make preparations to start, as he proposed, without delay, to break up the railroads in North and South Carolina and join the armies operating against Richmond as soon as he could.

On the 21st of January I informed Gen. Sherman that I had ordered the Twenty-third Corps, Maj.-Gen. Schofield commanding, east; that it numbered about 21,000 men; that we had at Fort Fisher about 8,000 men; at Newbern about 4,000; that if Wilmington was captured, Gen. Schofield would go there; if not, he would be sent to Newbern; that, in either event, all the surplus force at both points would move to the interior toward Goldsboro', in coöperation with his movement; that from either point railroad communication could be run out; and that all these troops would be subject to his orders as he came into communication with them.

THE CAPTURE OF WILMINGTON.

In obedience to his instructions, Gen. Schofield proceeded to reduce Wilmington, N. C., in coöperation with the navy under Admiral Porter, moving his forces up both sides of the Cape Fear River. Fort Anderson, the enemy's main defence on the west bank of the river, was occupied on the morning of the 19th, the enemy having evacuated it after our appearance before it.

After fighting on the 20th and 21st, our troops entered Wilmington on the morning of the 22d, the enemy having retreated toward Goldsboro' during the night. Preparations were at once made for a movement on Goldsboro' in two columns—one from Wilmington and the other from Newbern—and to repair the railroad leading there from each place, as well as to supply Gen. Sherman by Cape Fear River, toward Fayetteville, if it became necessary. The column from Newbern was attacked on the 8th of March at Wise's Forks, and driven back with the loss of several hundred prisoners. On the 11th the enemy renewed his attack upon our intrenched position, but was repulsed with severe loss, and fell back during the night. On the 14th the Neuse River was crossed and Kinston occupied, and on the 21st Goldsboro was entered. The column from Wilmington reached Cox's Bridge, on the Neuse River, ten miles above Goldsborol, on the 22d.

SHERMAN MARCHING NORTH.

By the 1st of February Gen. Sherman's whole army was in motion from Savannah. He captured Columbia, S. C., on the 17th; thence moved on Goldsboro', N. C., via Fayetteville, reaching the latter place on the 12th of March, opening up communication with Gen. Schofield by way of Cape Fear River. On the 15th he resumed his march on Goldsboro'. He met a force of the enemy at Averysboro', and after a severe fight defeated and compelled it to retreat. Our loss in the engagement was about 600. The enemy's loss was much greater. On the 18th the combined forces of the enemy, under Joe Johnston, attacked his advance at Bentonville, capturing three guns and driving it back upon the main body. Gen. Slocum, who was in the advance, ascertaining that the whole of Johnston's army was in the front, arranged his troops on the defensive, intrenched himself, and awaited reinforcements, which were pushed forward. On the night of the 21st the enemy retreated to Smithfield, leaving his dead and wounded in our hands. From there Sherman continued to Goldsboro', which place had been occupied by Gen. Schofield on the 21st, (crossing the Neuse River ten miles above there, at Cox's bridge, where Gen. Terry had got possession and thrown a pontoon bridge, on the 22d,) thus forming a junction with the columns from Newbern and Wilmington.

Among the important fruits of the campaign was the fall of Charleston, S. C. It was evacuated by the enemy on the night of the 17th of February, and occupied by our forces on the 18th.

THE EFFORT TO RELEASE OUR PRISONERS AT SALISBURY.

On the morning of the 31st of January Gen. Thomas was directed to send a cavalry expedition under Gen. Stoneman from East Tennessee, to penetrate South Carolina well down toward Columbia, to destroy the railroads and military resources of the country, and return, if he was able, to East Tennessee by way of Salisbury, N. C., releasing our prisoners there, if possible. Of the feasibility of this latter, however, Gen. Stoneman was to judge. Sherman's movements, I had no doubt, would attract the attention of all the force the enemy could collect and facilitate the execution of this. Gen. Stoneman was so late in making his start on this expedition, (and Sherman having passed out of the State of South Carolina,) on the 27th of February, I directed Gen. Thomas to change his course, and ordered him to repeat his raid of last Fall, destroying the railroad toward Lynchburgh as far as he could. This would keep him between our garrison in East Tennessee and the enemy. I regarded it not impossible that, in the event of the enemy being driven from Richmond, he might fall back to Lynchburgh, and attempt a raid north through East Tennessee. On the 14th of February the following communication was sent to Gen. Thomas:

CITY POINT, Va., Feb. 14, 1865.

Gen. Canby is preparing a movement from Mobile Bay against Mobile and the interior of Alabama. His force will consist of about 20,000 men, besides A. J. Smith's command. The cavalry you have sent to Canby will be debarked at Vicksburgh. It, with the available cavalry already in that section, will move from there eastward, in coöperation. Hood's army has been terribly reduced by the severe punishment you gave it in Tennessee, by desertion consequent upon their defeat, and now by the withdrawal of many of them to oppose Sherman. (I take it, a large portion of the infantry has been so withdrawn. It is so asserted in the Richmond papers, and a member of the rebel Congress said a few days since, in a speech, that one-half of it had been brought to South Carolina to oppose Sherman.) This being true, or even if it is not true, Canby's movement will attract all the attention of the enemy, and leave the advance from your standpoint easy. I think it advisable, therefore, that you prepare as much of a cavalry force as you can spare, and hold it in readiness to go south. The object would be threefold: first, to attract as much of the enemy's force as possible to insure success to Canby; second, to destroy the enemy's line of communications and military resources; third, to destroy or capture their forces brought into the field. Tuscaloosa and Selma would probably be the points to direct the expedition against. This, however, would not be so important as the mere fact of penetrating deep into Alabama. Discretion should be left to the officer commanding the expedition to go where, according to the information he may receive, he will best secure the objects named above.

Now that your force has been so much depleted, I do not know what number of men you can put into the field. If not more than 5,000 men, however, all cavalry, I think it will be sufficient. It is not desirable that you should start this expedition until the one leaving Vicksburg has been three or four days out, or even a week. I do not know when it will start, but will inform you by telegraph as soon as I learn. If you should hear through other sources before hearing from me, you can act on the information received.

To insure success, your cavalry should go with as little wagon train as possible, relying upon the country for supplies. I would also reduce the number of guns to a battery, or the number of batteries, and put the extra teams to the wagons taken. No guns or caissons should be taken with less than eight horses.

Please inform me by telegraph, on receipt of this, what force you think you will be able to send under these directions.

U. S. GRANT, Lieut.-Gen.

Major-Gen. G. H. Thomas.

On the 15th he was directed to start the expedition as soon after the 20th as he could get it off.

SHERIDAN AGAIN ON THE RAILROADS.

I deemed it of the utmost importance, before a general movement of the armies operating against Richmond, that all communication with the city, north of James River, should be cut off. The enemy having withdrawn the bulk of his force from the Shenandoah Valley and sent it south, or replaced troops sent from Richmond, and desiring to reinforce Sherman, if practicable, whose cavalry was greatly inferior in numbers to that of the enemy, I determined to make a move from the Shenandoah, which, if successful, would accomplish the first at least, and possibly the latter of these objects. I therefore telegraphed Gen. Sheridan as follows:

CITY POINT, Va., Feb. 20, 1865—1 P. M.

GENERAL: As soon as it is possible to travel, I think you will have no difficulty about reaching Lynchburgh with a cavalry force alone. From there you could destroy the railroad and canal in every direction, so as to be of no further use to the rebellion. Sufficient cavalry should be left behind to look after Mosby's gang. From Lynchburgh, if information you might get there would justify it, you could strike south, heading the streams in Virginia to the westward of Danville, and push on and join Gen. Sherman. This additional raid, with one now about starting from East Tennessee under Stoneman, numbering four or five thousand cavalry, one from Vicksburgh, numbering seven or eight thousand cavalry, one from Eastport, Miss., ten thousand cavalry, Canby from Mobile Bay with about thirty-eight thousand mixed troops, these three latter pushing for Tuscaloosa, Selma and Montgomery, and Sherman with a large army eating out the vitals of South Carolina, is all that will be wanted to leave nothing for the rebellion to stand upon. I would advise you to overcome great obstacles to accomplish this. Charleston was evacuated on Tuesday last.

U. S. GRANT, Lieutenant-General.

Maj.-Gen. P. H. Sheridan.

On the 25th I received a dispatch from Gen. Sheridan, inquiring where Sherman was aiming for, and if I could give him definite information as to the points he might be expected to move on this side of Charlotte, North Carolina. In answer the following telegram was sent him:

CITY POINT, Va., Feb. 25, 1865.

GENERAL: Sherman's movements will depend on the amount of opposition he meets with from the enemy. If strongly opposed, he may possibly have to fall back to Georgetown, S. C., and fit out for a new start. I think, however, all danger for the necessity of going to that point has passed. I believe he has passed Charlotte. He may take Fayetteville on his way to Goldsboro'. If you reach Lynchburgh, you will have to be guided in your after movements by the information you obtain. Before you could possibly reach Sherman, I think you would find him moving from Goldsboro' toward Raleigh, or engaging the enemy strongly posted at one or the other of these places, with railroad communications opened from his army to Wilmington or Newbern.

U. S. GRANT, Lieut.-Gen.

Maj.-Gen. P. H. Sheridan.

EXTENT OF SHERIDAN'S WORK.

Gen. Sheridan moved from Winchester on the 27th of February, with two divisions of cavalry, numbering about 5,000 each. On the 1st of March he secured the bridge, which the enemy attempted to destroy, across the middle fork of the Shenandoah, at Mount Crawford, and entered Staunton on the 2d, the enemy having retreated to Waynesboro. Thence he pushed on to Waynesboro, where he found the enemy in force in an intrenched position, under Gen. Early. Without stopping to make a reconnoissance, an immediate attack was made, the position was carried, and 1,600 prisoners, 11 pieces of artillery, with horses and caissons complete, 200 wagons and teams loaded with subsistence, and 17 battle-flags were captured. The prisoners, under an escort of 1,500 men, were sent back to Winchester. Thence he marched on Charlottesville, destroying effectually the railroad and bridges as he went, which place he reached on the 3d. Here he remained two days, destroying the railroad toward Richmond and Lynchburgh, including the large iron bridges over the north and south forks of the Rivanna River, and awaiting the arrival of his trains. This necessary delay caused him to abandon the idea of capturing Lynchburgh. On the morning of the 6th, dividing his force into two columns, he sent one to Scottsville, whence it marched up the James River canal to New-Market, destroying every lock, and in many places the bank of the canal. From here a force was pushed out from this column to Duiguidsville, to obtain possession of the bridge across the James River at that place, but failed. The enemy burned it on our approach. The enemy also burned the bridge across the river at Hardwicksville. The other column moved down the railroad toward Lynchburgh, destroying it as far as Amherst Court-house, sixteen miles from Lynchburgh; thence across the country, uniting with the column at New-Market. The river being very high, his pontoons would not reach across it; and the enemy having destroyed the bridges by which he had hoped to cross the river and get on the South Side Railroad about Farmville, and destroy it to Appomattox Court-house, the only thing left for him was to return to Winchester or strike a base at the White House. Fortunately, he chose the latter. From New-Market he took up his line of march, following the canal toward Richmond, destroying every lock upon it and cutting the banks wherever practicable, to a point eight miles east of Goochland, concentrating the whole force at Columbia on the 10th. Here he rested one day, and sent through by scouts information of his whereabouts and purposes, and a request for supplies to meet him at White House, which reached me on the night of the 12th. An infantry force was immediately sent to get possession of White House, and supplies were forwarded. Moving from Columbia in a direction to threaten Richmond, to near Ashland-station, he crossed the Annas, and after having destroyed all the bridges and many miles of the railroad, proceeded down the north bank of the Pamunky to White House, which place he reached on the 19th.

Previous to this the following communication was sent to Gen. Thomas:

CITY POINT, Va., March 7, 1865—9:30 A. M.

GENERAL: I think it will be advisable now for you to repair the railroad in East Tennessee, and throw a good force up to Bull's Gap and fortify there. Supplies at Knoxville could always be got forward as required. With Bull's Gap fortified, you can occupy as outposts about all of East Tennessee, and be prepared, if it should be required of you in the Spring, to make a campaign toward Lynchburgh, or into North Carolina. I do not think Stoneman should break the road until he gets into Virginia, unless it should be to cut off rolling stock that may be caught west of that.

U. S. GRANT, Lieutenant-General.

Major-Gen. G. H. Thomas.

THE SITUATION IN MARCH, 1865.

Thus it will be seen that in March, 1865, Gen. Canby was moving an adequate force against Mobile and the army defending it under Gen. Dick Taylor; Thomas was pushing out two large and well-appointed cavalry expeditions—one from Middle Tennessee, under Brevet Major-Gen. Wilson, against the enemy's vital points in Alabama, the other from East Tennessee, under Major-Gen. Stoneman, toward Lynchburgh—and assembling the remainder of his available forces, preparatory to offensive operations from East Tennessee; Gen. Sheridan's cavalry was at the White House; the Armies of the Potomac and James were confronting the enemy under Lee in his defences of Richmond and Petersburgh; Gen. Sherman with his armies, reinforced by that of Gen. Schofield, was at Goldsboro; Gen. Pope was making preparations for a Spring campaign against the enemy under Kirby Smith and Gen. Price, west of the Mississippi; and Gen. Hancock was concentrating a force in the vicinity of Winchester, Va., to guard against invasion or to operate offensively, as might prove necessary.

After the long march by Gen. Sheridan's cavalry over Winter roads, it was necessary to rest and refit at White House. At this time the greatest source of uneasiness to me was the fear that the enemy would leave his strong lines about Petersburgh and Richmond for the purpose of uniting with Johnston, before he was driven from them by battle, or I was prepared to make an effectual pursuit. On the 24th of March Gen. Sheridan moved from White House, crossed the James River at Jones' Landing, and formed a junction with the Army of the Potomac in front of Petersburgh on the 27th. During this move, Gen. Ord sent forces over to cover the crossings of the Chickahominy.

INSTRUCTIONS FOR A GENERAL MOVEMENT.

On the 24th of March the following instructions for a general movement of the armies operating against Richmond were issued:

CITY POINT, Va., March 24, 1865.

GENERAL: On the 29th instant the armies operating against Richmond will be moved by our left for the double purpose of turning the enemy out of his present position around Petersburgh, and to insure the success of the cavalry under Gen. Sheridan, which will start at the same time, in its efforts to reach and destroy the South Side and Danville Railroads. Two corps of the Army of the Potomac will be moved at first in two columns, taking the two roads crossing Hatcher's Run nearest where the present line held by us strikes that stream, both moving toward Dinwiddie Court-house.

The cavalry under Gen. Sheridan, joined by the division now under Gen. Davies, will move at the same time by the Weldon road and the Jerusalem plank-road, turning west from the latter before crossing the Nottoway, and west with the whole column before reaching Stony Creek. Gen. Sheridan will then move independently, under other instructions which will be given him. All dismounted cavalry belonging to the Army of the Potomac, and the dismounted cavalry from the Middle Military Division not required for guarding property belonging to their arm of service, will report to Brig.-Gen. Benham, to be added to the defences of City Point. Major-Gen. Parke will be left in command of all the army left for holding the lines about Petersburgh and City Point, subject, of course, to orders from the commander of the Army of the Potomac. The Ninth Army Corps will be left intact to hold the present line of works so long as the whole line now occupied by us is held. If, however, the troops to the left of the Ninth Corps are withdrawn, then the left of the corps may be thrown back so as to occupy the position held by the army prior to the capture of the Weldon road. All troops to the left of the Ninth Corps will be held in readiness to move at the shortest notice by such route as may be designated when the order is given.

Gen. Ord will detach three divisions, two white and one colored, or so much of them as he can, and hold his present lines, and march for the present left of the Army of the Potomac. In the absence of further orders, or until further orders are given, the white divisions will follow the left column of the Army of the Potomac, and the colored division the right column. During the movement Major-Gen. Weitzel will be left in command of all the forces remaining behind from the Army of the James.

The movement of troops from the Army of the James will commence on the night of the 27th inst. Gen. Ord will leave behind the minimum number of cavalry necessary for picket duty, in the absence of the main army. A cavalry expedition from Gen. Ord's command will also be started from Suffolk, to leave there on Saturday, the 1st of April, under Col. Sumner, for the purpose of cutting the railroad about Hicksford. This, if accomplished, will have to be a surprise, and therefore from three to five hundred men will be sufficient. They should, however, be supported by all the infantry that can be spared from Norfolk and Portsmouth, as far out as to where the cavalry crosses the Blackwater. The crossing should probably be at Uniten. Should Col. Sumner succeed in reaching the Weldon road he will be instructed to do all the damage possible to the triangle of roads between Hicksford, Weldon and Gaston. The railroad bridge at Weldon being fitted up for the passage of carriages, it might be practicable to destroy any accumulation of supplies the enemy may have collected south of the Roanoke. All the troops will move with four days' rations in haversacks, and eight days' in wagons. To avoid as much hauling as possible, and to give the Army of the James the same number of days' supply with the Army of Potomac, Gen. Ord will direct his commissary and quartermaster to have sufficient supplies delivered at the terminus of the road to fill up in passing. Sixty rounds of ammunition per man will be taken in wagons, and as much grain as the transportation on hand will carry, after taking the specified amount of other supplies. The densely wooded country in which the army has to operate making the use of much artillery impracticable, the amount taken with the army will be reduced to six or eight guns to each division, at the option of the army commander.

All necessary preparations for carrying these directions into operation may be commenced at once. The reserves of the Ninth Corps should be massed as much as possible. Whilst I would not now order an unconditional attack on the enemy's line by them, they should be ready, and should make the attack if the enemy weakens his line in their front, without waiting for orders. In case they carry the line, then the whole of the Ninth Corps could follow up, so as to join or coöperate with the balance of the army. To prepare for this, the Ninth Corps will have rations issued to them, same as the balance of the army. Gen. Weitzel will keep vigilant watch upon his front, and if found at all practicable to break through at any point, he will do so. A success north of the James should be followed up with great promptness. An attack will not be feasible unless it is found that the enemy has detached largely. In that case it may be regarded as evident that the enemy are relying upon their local reserves, principally, for the defence of Richmond. Preparations may be made for abandoning all the line north of the James, except inclosed works—only to be abandoned, however, after a break is made in the lines of the enemy.

By these instructions a large part of the armies operating against Richmond is left behind. The enemy, knowing this, may, as an only chance, strip their lines to the merest skeleton, in the hope of advantage not being taken of it, while they hurl everything against the moving column, and return. It cannot be impressed too strongly upon commanders of troops left in the trenches not to allow this to occur without taking advantage of it. The very fact of the enemy coming out to attack, if he does so, might be regarded as almost conclusive evidence of such a weakening of his lines. I would have it particularly enjoined upon corps commanders that, in case of an attack from the enemy, those not attacked are not to wait for orders from the commanding officer of the army to which they belong, but that they will move promptly, and notify the commander of their action. I would also enjoin the same action on the part of division commanders, when other parts of their corps are engaged. In like manner, I would urge the importance of following up a repulse of the enemy.

U. S. GRANT, Lieutenant-General.

Major-Gens. Meade, Ord and Sheridan.

THE BATTLE OF THE 25TH OF MARCH.

Early on the morning of the 25th the enemy assaulted our lines in front of the Ninth Corps (which held from the Appomattox River toward our left) and carried Fort Steadman, and a part of the line to the right and left of it, established themselves and turned the guns of the fort against us; but our troops on either flank held their ground until the reserves were brought up, when the enemy was driven back with a heavy loss in killed and wounded and 1,900 prisoners. Our loss was 68 killed, 337 wounded and 506 missing. Gen. Meade at once ordered the other corps to advance and feel the enemy in their respective fronts. Pushing forward they captured and held the enemy's strongly intrenched picket line in front of the Second and Sixth Corps, and 834 prisoners. The enemy made desperate attempts to retake this line, but without success. Our loss in front of these was 52 killed, 864 wounded and 207 missing. The enemy's loss in killed and wounded was far greater.

SHERMAN READY TO COME TO MEADE'S ASSISTANCE.

Gen. Sherman having got his troops all quietly in camp about Goldsboro, and his preparations for furnishing supplies to them perfected, visited me at City Point on the 27th of March, and stated that he would be ready to move, as he had previously written me, by the 10th of April, fully equipped and rationed for twenty days, if it should become necessary to bring his command to bear against Lee's army, in coöperation with our forces in front of Richmond and Petersburgh. Gen. Sherman proposed in this movement to threaten Raleigh, and then, by turning suddenly to the right, reach the Roanoke at Gaston or thereabouts, whence he could move on to the Richmond and Danville Railroad, striking it in the vicinity of Burkesville, or join the armies operating against Richmond, as might be deemed best. This plan he was directed to carry into execution, if he received no further directions in the mean time. I explained to him the movement I had ordered to commence on the 29th of March. That if it should not prove as entirely successful as I hoped, I would cut the cavalry loose to destroy the Danville and Southside Railroads, and thus deprive the enemy of further supplies, and also prevent the rapid concentration of Lee's and Johnston's armies.

GRANT FEARS THAT LEE WILL RUN AWAY, AND ORDERS THE GRAND MOVEMENT AT ONCE.

I had spent days of anxiety lest each morning should bring the report that the enemy had retreated the night before. I was firmly convinced that Sherman's crossing the Roanoke would be the signal for Lee to leave. With Johnston and him combined, a long, tedious and expensive campaign, consuming most of the Summer, might become necessary. By moving out I would put the army in better condition for pursuit, and would at least, by the destruction of the Danville road, retard the concentration of the two armies of Lee and Johnston, and cause the enemy to abandon much material that he might otherwise save. I therefore determined not to delay the movement ordered.

On the night of the 27th Major-Gen. Ord, with two divisions of the Twenty-fourth Corps, Major-Gen. Gibbon commanding, and one division of the Twenty-fifth Corps, Brig.-Gen. Birney commanding, and McKenzie's cavalry, took up his line of march in pursuance of the foregoing instructions, and reached the position assigned him near Hatcher's Run on the morning of the 29th. On the 28th the following instructions were given to Gen. Sheridan:

CITY POINT, Va., March 28, 1865.

GENERAL: The Fifth Army Corps will move by the Vaughn road at 3 A. M. to-morrow morning. The Second moves at about 9 A. M., having but about three miles to march to reach the point designated for it to take on the right of the Fifth corps, after the latter reaching Dinwiddie Court-house. Move your cavalry at as early an hour as you can, and without being confined to any particular road or roads. You may go out by the nearest roads in rear of the Fifth Corps, pass by its left, and, passing near to or through Dinwiddie, reach the right and rear of the enemy as soon as you can. It is not the intention to attack the enemy in his intrenched position, but to force him out, if possible. Should he come out and attack us, or get himself where he can be attacked, move in with your entire force in your own way, and with the full reliance that the army will engage or follow, as circumstances will dictate. I shall be on the field, and will probably be able to communicate with you. Should I not do so, and you find that the enemy keeps within his main intrenched line, you may cut loose and push for the Danville road. If you find it practicable, I would like you to cross the South Side road, between Petersburgh and Burkesville, and destroy it to some extent. I would not advise much detention, however, until you reach the Danville road, which I would like you to strike as near to the Appomattox as possible. Make your destruction on that road as complete as possible. You can then pass on to the South Side road, west of Burkesville, and destroy that, in like manner.

After having accomplished the destruction of the two railroads, which are now the only avenues of supply to Lee's army, you may return to this army, selecting your road further south, or you may go on into North Carolina and join Gen. Sherman. Should you select the latter course, get the information to me as early as possible, so that I may send orders to meet you at Goldsboro.'

U. S. GRANT, Lieut.-Gen.

Maj.-Gen. P. H. Sheridan.

BEGINNING OF THE END.

On the morning of the 29th the movement commenced. At night the cavalry was at Dinwiddie Court-house, and the left of our infantry line extended to the Quaker road, near its intersection with the Boydton plank road. The position of the troops from left to right was as follows: Sheridan, Warren, Humphreys, Ord, Wright, Parke.

Everything looked favorable to the defeat of the enemy and the capture of Petersburgh and Richmond, if the proper effort was made. I therefore addressed the following communication to Gen. Sheridan, having previously informed him verbally not to cut loose for the raid contemplated in his orders until he received notice from me to do so:

GRAVELLY CREEK, March 29, 1865.

GENERAL: Our line is now unbroken from the Appomattox to Dinwiddie. We are all ready, however, to give up all, from the Jerusalem Plank-road to Hatcher's Run, whenever the forces can be used advantageously. After getting into line south of Hatcher's we pushed forward to find the enemy's position. Gen. Griffin was attacked near where the Quaker road intersects the Boydton road, but repulsed it easily, capturing about one hundred men. Humphreys reached Dabney's Mill, and was pushing on when last heard from.

I now feel like ending the matter, if it is possible to do so, before going back. I do not want you, therefore, to cut loose and go after the enemy's roads at present. In the morning push around the enemy, if you can, and get on to his right rear. The movements of the enemy's cavalry may, of course, modify your action. We will act all together as one army here until it is seen what can be done with the enemy. The signal officer at Cobb's Hill reported, at 11:30 A. M., that a cavalry column had passed that point from Richmond toward Petersburgh, taking forty minutes to pass.

U. S. GRANT, Lieutenant-General.

Major-Gen. P. H. Sheridan.

HEAVY RAIN STORM AS USUAL—PROGRESS OF THE WAR.

From the night of the 29th to the morning of the 31st the rain fell in such torrents as to make it impossible to move a wheeled vehicle, except as corduroy roads were laid in front of them. During the 30th, Sheridan advanced from Dinwiddie Court-house toward Five Forks, where he found the enemy in force. Gen. Warren advanced and extended his line across the Boydton plank road to near the White Oak road, with a view of getting across the latter; but finding the enemy strong in his front and extending beyond his left, was directed to hold on where he was and fortify. Gen. Humphreys drove the enemy from his front into his main line on the Hatcher, near Burgess' mills. Gens. Ord, Wright and Parke made examinations in their fronts to determine the feasibility of an assault on the enemy's lines. The two latter reported favorably. The enemy confronting us, as he did at every point from Richmond to our extreme left, I conceived his lines must be weakly held, and could be penetrated if my estimate of his forces was correct. I determined, therefore, to extend my line no further, but to reinforce Gen. Sheridan with a corps of infantry, and thus enable him to cut loose and turn the enemy's right flank, and with the other corps assault the enemy's lines. The result of the offensive effort of the enemy the week before, when he assaulted Fort Steadman, particularly favored this. The enemy's intrenched picket line, captured by us at that time, threw the lines occupied by the belligerents so close together at some points, that it was but a moment's run from one to the other. Preparations were at once made to relieve Gen. Humphrey's corps, to report to Gen. Sheridan; but the condition of the roads prevented immediate movement. On the morning of the 31st Gen. Warren reported favorably to getting possession of the White Oak road, and was directed to do so. To accomplish this he moved with one division, instead of his whole corps, which was attacked by the enemy in superior force and driven back on the second division before it had time to form, and it, in turn, forced back upon the third division, when the enemy was checked. A division of the Second Corps was immediately sent to his support, the enemy driven back with heavy loss, and possession of White Oak road gained. Sheridan advanced, and with a portion of his cavalry got possession of the Five Forks, but the enemy, after the affair with the Fifth Corps, reinforced the rebel cavalry, defending that point with infantry, and forced him back toward Dinwiddie Court-house. Here Gen. Sheridan displayed great generalship. Instead of retreating with his whole command on the main army, to tell the story of superior forces encountered, he deployed his cavalry on foot, leaving only mounted men enough to take charge of the horses. This compelled the enemy to deploy over a vast extent of woods and broken country, and made his progress slow. At this juncture he dispatched to me what had taken place, and that he was dropping back slowly on Dinwiddie Court-house. Gen. McKenzie's cavalry and one division of the Fifth Corps were immediately ordered to his assistance. Soon after, receiving a report from Gen. Meade that Humphreys could hold our position on the Boydton road, and that the other two divisions of the Fifth Corps could go to Sheridan, they were so ordered at once. Thus the operations of the day necessitated the sending of Warren because of his accessibility, instead of Humphreys, as was intended, and precipitated intended movements. On the morning of the 1st of April, Gen. Sheridan, reinforced by Gen. Warren, drove the enemy back on Five Forks, where, late in the evening, he assaulted and carried his strongly fortified position, capturing all his artillery and between 5,000 and 6,000 prisoners. About the close of this battle, Brevet Major-Gen. Charles Griffin relieved Major-Gen. Warren in command of the Fifth Corps. The report of this reached me after nightfall. Some apprehensions filled my mind lest the enemy might desert his lines during the night, and by falling upon Gen. Sheridan before assistance could reach him, drive him from his position, and open the way for retreat. To guard against this, Gen. Miles' division of Humphreys' corps was sent to reinforce him, and a bombardment was commenced and kept up until 4 o'clock in the morning, (April 2,) when an assault was ordered on the enemy's lines. Gen. Wright penetrated the lines with his whole corps, sweeping everything before him and to his left toward Hatcher's Run, capturing many guns and several thousand prisoners. He was closely followed by two divisions of Gen. Ord's command, until he met the other division of Gen. Ord's that had succeeded in forcing the enemy's lines near Hatcher's Run. Gens. Wright and Ord immediately swung to the right, and closed all the enemy on that side of them in Petersburgh, while Gen. Humphreys pushed forward with two divisions and joined Gen. Wright on the left. Gen. Parke succeeded in carrying the enemy's main line, capturing guns and prisoners, but was unable to carry his inner line. Gen. Sheridan being advised of the condition of affairs, returned Gen. Miles to his proper command. On reaching the enemy's lines immediately surrounding Petersburgh, a portion of Gen. Gibbon's corps, by a most gallant charge, captured two strong, inclosed works—the most salient and commanding south of Petersburgh—thus

Continued on Fifth Page.

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THE AMERICAN LAND COMPANY AND AGENCY, ORGANIZED UNDER THE LAWS OF THE STATE OF NEW-YORK, OFFICE NO. 57 BROADWAY, NEW-YORK CITY, will buy and sell real estate, as the agent of others, in all parts of the United States, especially in the South. Will negotiate loans on real securities. Will facilitate emigration, and will transact all business in which a responsible agent, known and trusted by all interests, may be usefully employed.
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FOR SALE—TWO LOTS NORTH SIDE OF 56TH-st., 200 feet west of 5th-av. One lot south of 56th-st., 275 feet west of 5th-av. Two lots north side of 55th-st., 300 feet west of 5th-av., running through to 56th-st. Three lots north side of 55th-st., running through to 56th-st.; about 500 feet west of 5th-av. One lot on 58th-st., near 1st-av. One lot on 1st-av., near 57th-st. A three-story house, brown-stone front, high stoop, on Lexington-av., near 53d-st. Lot on 53d-st., with brown-stone stable; the two form an L. Plot of ground on Chambers-st., running through to Reade-st.; about 30x150, with the buildings thereon. Apply to P. C. BULKLEY, No. 43 Wall-st., Jauncey-court.

FOR SALE—ONE OF THE FINEST PROPERTIES in Westchester County, consisting of a splendid stone mansion, three other dwellings, three barns, ice-house, hennery, &c.; plenty of fruit, fine grove of forest trees, a river running for a mile through the ground, and a fine farm adapted to all the purposes of a first-class farmer, or gentleman of taste and leisure; containing nearly 300 acres of land so naturally divided by the river, the turnpike and the railroad, as to afford a great number of splendid building sites, if desired; it is only 20 miles from the city and 10 minutes' walk from the depot at Scarsdale. Apply to S. W. BENEDICT, No. 4 Pine-st.

TO MANUFACTURERS AND CAPITALISTS.—The subscriber, having an excellent water power sufficient to run three or four mills or factories, on a never-failing stream, and situate at the station of a double-track railroad, equidistant between New-York and Philadelphia, is prepared to lease said property on most favorable terms. Address S. H. R., Box No. 111 Times Office.

FOR SALE IN SOUTH BROOKLYN—Two first-class stone fronts, nearly finished; built in the best manner; 90 feet from Henry-st., on Woodhull; all the modern improvements; first-class surroundings. Terms easy. Inquire at No. 411 Hicks-st., or the stone-yard corner Rapelyea-st. and Hamilton-av.
D. DIXON.

FOR SALE—AT FLORIDA, TOWNSHIP OF Warwick, Orange County, N. Y., a three-story and cellar brick house, with 4 acres of ground. House has hot and cold water, heaters, &c.; more land can be had if desired; good barn, &c.
For further particulars, apply to
ALLEN & BROWN,
No. 96 Broadway.

FOR SALE—IN BROOKLYN, WITH IMMEDIATE possession, a three-story and basement Philadelphia brick house, situated on Carlton-av., near Flatbush-av.; furniture to be sold with the house. Terms low, as the present owner is removing from the city. W. W. COLBRON, No. 359 Fulton-av., near Oxford-st., Brooklyn.

HOUSE FOR SALE OR TO LET—AT Hudson City, N. J., on elevated ground, back of and half hour by horse car from Hoboken Ferry; a beautiful and commodious first-class residence, with 4, 6 or 16 lots of ground inclosed; French roof and modern improvements just completed. Inquire of Mr. KENNARD, Nos. 9 and 11 Nassau-st., basement, from 2 to 5 P. M.

IN NEW-JERSEY, 37 MILES FROM NEW-YORK—A modern built house, nearly new, with 10 rooms and large attic; convenient outbuildings, with one acre of ground neatly fenced and planted, only one minute's walk from railroad station; a very desirable home for a party doing business in New-York. Price, $4,600. CHILD & EDGAR, No. 4 Wall-st.

VALUABLE DOCK PROPERTY FOR SALE.—The steamboat dock at Cornwall, on the Hudson River, 189 feet water front by 231 feet deep, with large brick dwelling-house, barn and other buildings on the premises. Steamboat wharfages will pay good interest on the investment. Apply to
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ORANGE, N. J.—RESIDENCE SITES FOR sale on the handsomest streets in Orange; first-class neighborhood, on high ground, with fine views, only a few minutes from depot. Apply to H. B. BLACKWELL, No. 59 William-st., before 11 A. M., or No. 49 Main-st., Orange.

ORANGE, N. J.—VILLAS, VILLA SITES AND farms, a great variety, beautifully situated, one hour from New-York, for sale low. Also, country seats and houses to let for the season or year, by HENRY B. BLACKWELL, No. 59 William-st., New-York, 9 to 11 A. M.; No. 49 Main-st., Orange, 1 to 5 P. M.

A FIRST-RATE FARM OF 83 ACRES for sale at Hackensack, N. J., $15,000; one of 100 acres in Rockland County, N. Y., near railroad station, $10,000; other farms and country seats at Nyack, on the Hudson, $4,000 to $15,000. J. A. LYDECKER, No. 160 Fulton-st., corner of Broadway, Room No. 5.

FOR SALE—IMMEDIATE POSSESSION—A three-story brick house, No. 269 Union-st., Brooklyn; lot 22 by 100; house 22 by 50; high stoop, front basement; imitation of oak; range, wash-room, stationary tubs; halls imitation of marble; bath and gas throughout; house in good order. Inquire on the premises.

FOR SALE—AT LOW PRICES, TWO PARCELS of lots on 56th and 57th sts., (100 feet wide,) near 3d and 7th avs. and Central Park. Wanted to buy a first-class house and lot, with stable preferred, in a good location above 23d-st. Address M. R., Box No. 180 Times Office.

$18,500.—A FINE FOUR-STORY basement brown stone house, newly and completely furnished, finely located on Murray Hill; immediate possession; others desirably located, furnished and unfurnished, $12,000 to $100,000.
W. P. SEYMOUR, No. 171 Broadway.

$2,000.—ONE-FIFTEENTH INTEREST in 200 acres of oil land, near Tidioute, Warren Co., Penn. Excellent indications; good wells in immediate neighborhood. For particulars, address F. D., Box No. 117 Times Office.

HOUSE FOR SALE—NO. 183 EAST 21ST-ST.; a nice brick house, high stoop, desirable dwelling; price $10,000. Apply to CHAS. PARTRIDGE, No. 72 Front-st.

FOR SALE—A FACTORY, WITH GOOD WATER-front, dock, &c., accessible to vessels of large size throughout the year.
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FOR SALE—A VERY DESIRABLE FOUR-story brown-stone front house on 42d-st., between 5th and 6th avs. For particulars, apply at the office of the Hoffman Fire Insurance Company, No. 161 Broadway.

FOR SALE—THE FOUR-STORY ENGLISH basement brown-stone front house, No. 40 East 31st-st., near Madison-av., 20x60xhalf the block. Furniture if desired. Apply to E. S. SHERMAN, No. 253 Pearl-st., between Fulton and John.

FOR SALE—THE THREE-STORY AND BASEMENT brick house, No. 512 West 35th-st.; size 20x40 feet, with all the modern improvements. Also, adjoining lot, 20x100 feet. For particulars apply on the premises.

SPLENDID FARM—125 ACRES, LAND VERY productive, good buildings, choice fruit, one mile from Whitehouse, N. J.; healthy location.
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HOUSES AND STORES FOR SALE OR TO RENT—In all parts of the city, wanted by
D. M. SEAMAN, No. 14 Pine-st.

TO LET.

A FURNISHED HOUSE, WITH EVERY convenience, to be let to a respectable family of two or three grown persons, who will board the owner, wife and child. Apply, after 4 o'clock P. M., at No. 248 Livingston-st., Brooklyn.

FURNISHED HOUSE, OF SEVENTEEN ROOMS, TO LET—In complete order, well located, with immediate possession. Apply at No. 192 Broadway, from 11 to 12 o'clock, or at No. 93 East 27th-st., of PETER A. H. JACKSON.

A HANDSOMELY FURNISHED PARLOR and bedroom, with modern conveniences, to let in a private house; no board; references exchanged. No. 38 University-place, near 11th-st.

TO RENT—A SUITE OF FIVE OFFICES ON first floor, at No 74 Broadway and No. 11 New-st., with entrance on either street. Apply to HOMER MORGAN, No. 2 Pine-st.

HOUSES & ROOMS WANTED.

WANTED TO PURCHASE FOR CASH—A first-class brown-stone or brick high-stoop house, situated between Lexington and 7th avs. Price from $10,000 to $16,000. Apply to C. MOORE, No. 629 Broadway, third floor.

WANTED—A FURNISHED FLOOR OR ROOMS, suitable for small family of adults, with or without board, in pleasant neighborhood; references exchanged. Address JEROME, Box No. 177 Times Office.

WANTED—A CHURCH OR PROPERTY 75x100 or more, located between 2d and 5th avs. and 10th and 30th sts. Applications, with particulars, to be sent to M. SCHWAB, Esq., No. 264 East Broadway.

HOTELS.

THE WALL HOUSE, BROOKLYN, E. D., having entirely changed hands and being thoroughly renovated and improved, offers rare inducements, at moderate rates, to families and others desiring permanent or transient accommodations. Table de hote 5 P. M.

RELIGIOUS NOTICES.

BROADWAY TABERNACLE CHURCH.—Thanksgiving service on THURSDAY, at 11 o'clock A. M. DR. THOMPSON will preach on the *Perils and Duties of the Transition Period in the South.* A memorial service for our fallen soldiers will be held at the Tabernacle on SABBATH EVENING, Dec. 10, at 7 o'clock. A commemoration discourse will be preached by Dr. THOMPSON, and appropriate musical services from Beethoven, Mendelsohn, Flemming, Handel and others will be rendered by a select choir.

THANKSGIVING—AT THE HOWARD MISSION and Home for Little Wanderers, No. 37 New Bowery. Over 550 children are now daily fed at the table of this institution. Donations may be sent to Hon. Joseph Hoxie, President, No. 151 Broadway; to William Phelps, Esq., Treasurer, No. 261 Canal-st.; or to Rev. W. C. Van Meter, Superintendent, at the Mission. Anything for Thanksgiving dinner for 1,200 will be gratefully received. Exercises commence at 1 o'clock, and close at 4.

THANKSGIVING.—A UNION THANKSGIVING service will be held on THURSDAY, at 10:45 A. M., at DR. DOWLING's church, Bedford-st., to which all are invited. The sermon will be preached by Rev. HOWARD OSGOOD, late Pastor of the North Baptist Church. Other clergymen will take part in the service. Collection for the poor.

THANKSGIVING.—IN COMPLIANCE WITH the recommendation of the President of the United States, Divine service will be held at the Synagogue in West 19th-st., on THURSDAY, 7th inst., at 11 o'clock A. M.

REV. WILLIAM ALVIN BARTLETT, pastor of the Elm-place Congregational Church of Brooklyn will deliver a Thanksgiving discourse on THURSDAY, at 10½ o'clock A. M. Subject—*Peace.*

REV. WILLIAM C. WINSLOW WILL deliver the Thanksgiving Sermon, Dec. 7, at the Wainwright Memorial Church, corner of Waverley-place and Hammond-st. Service at 10½ A. M.

ST. ALBAN'S CHAPEL—47TH-ST. AND LEXington-av.—Service on WEDNESDAY EVENING, at 7½ o'clock, and on THANKSGIVING-DAY at 10½ A. M. and 5 P. M.

REV. W. H. BOOLE WILL DELIVER a Thanksgiving discourse, on THURSDAY, at 11 A. M., in the 27th-st. M. E. Church, between 2d and 3d avs. Subject—*The Way of God in the Nation.*

MILLINERY.

A GREAT REDUCTION IN PRICES.—The entire stock of FALL AND WINTER MILLINERY, consisting of VELVET, SATIN AND SILK BONNETS; also DERBY and JOCKEY HATS in great variety, selling regardless of cost at SIMMONS', No. 637 Broadway.

DRY GOODS.

R. H. MACY.
CONTINUATION CLEARING SALE
OF
RIBBONS,
OF
LACES AND EMBROIDERIES,
OF
HOUSEKEEPING GOODS, &c.,
OF
BLANKETS, &C.
OF
Everything in the stock at tremendously low rates, to make room for a magnificent stock of
HOLIDAY GOODS,
Now landing by European steamers.
R. H. MACY,
Nos. 204 and 206 6th-av., near 14th-st.

EUREKA!
1,000 DOZEN LADIES' KID GLOVES,
90 CENTS A PAIR.
NOW OPENING,
1,000 DOZEN
LADIES'
KID GLOVES,
FOR 90 CENTS A PAIR.
EVERY PAIR WARRANTED REAL FRENCH KID,
AT 90 CENTS A PAIR.
EVERY PAIR WARRANTED REAL FRENCH KID,
AT 90 CENTS A PAIR.
R. H. MACY,
Nos. 204 and 206 6th-av. near 14th-st.

MOURNING GOODS.
GREAT BARGAINS.
FROM AUCTION.
Twenty per cent. below cost of importation.
5-4 Parimaseir Cloth at $1, very fine.
5-4 Parimaseir Cloth at $1 25, superfine.
4-4 Empress Cloth at $1, handsome goods.
5-4 English Bombazines at $1 50, worth $2 25.
5-4 English Bombazines at $2, worth $3.
4-4 French Bombazines, very fine, at $2, worth $3.
Black Alpacas at 2s. 6d., 3s., 3s. 6d., and 4s., nice goods.
Black Alpacas at 62½c., worth $1.
Black Alpacas at 87½c., worth $1 50.
Black Alpacas at $1, worth $1 75.
4-4 Black and White Morine Skirting at 75c., worth $1 50.
Handsome Poplins at 62½c., worth $1.
BLACK CRAPE CLOTH, a new article, over two yards wide; $10 per dress; a very beautiful fabric, and extremely cheap.
W. JACKSON,
Importer and Dealer in Mourning Goods,
No. 551 Broadway, opposite Tiffany & Co.'s.

CARPETING, FLOOR OIL-CLOTHS, &c.
SMITH & LOUNSBERRY,
No. 456 BROADWAY, near Grand-st., have now on hand a full assortment of ENGLISH VELVET, TAPESTRY and BRUSSELS CARPETING; also, THREE-PLY and INGRAIN CARPETS, DRUGGETS, and all other articles pertaining to the Carpet trade, which they are selling at IMPORTED and MANUFACTURERS' PRICES for CASH.

CRAPE CLOTHS FOR DRESSES,
A NEW ARTICLE,
over two yards wide. Call and see them.
W. JACKSON, No. 551 Broadway,
Opposite Tiffany & Co.

BARGAINS! BARGAINS!
THIS WEEK IN
FANCY SILK AND DRESS GOODS.
We have just purchased in the auction rooms and from importers several large invoices of
FANCY SILKS AND DRESS GOODS,
at 25 to 50 per cent. less than what they have sold for earlier in the season, and it is our intention to distribute them to our customers at the same reduction during the present week.

FANCY SILKS, splendid qualities, at $1.
FANCY SILKS, extra heavy and wide, at $1 25.
RICH GRO. GRAIN SILKS, only $1 50.
PARIS EMPRESS CLOTHS, all wool, only 85 cents—worth $1 37½.
BON JOURS EMPRESS CLOTHS at $1—worth $1 50.
FRENCH MERINOES, splendid quality and colors, at $1 25—worth $1 80.
PLAID VALENCIAS, only 31¼c. per yard—worth 50 cents.
PLAID AND STRIPED POPPINETTES, only 3s. and 3s. 6d.—worth 60c. and 70c.
HEAVY PLAID PARIS REP POPLINS, only 70c.—worth $1 25 per yard.
W. K. PEYTON,
Nos. 272 and 274 Bowery, near Houston-st.

GREAT RUSH
FOR CHEAP GOODS.
BARGAINS IN EVERY DEPARTMENT.
NO OLD STOCK
TO PUSH OFF
ON CUSTOMERS
AT HIGH RATES,
BUT NEW GOODS,
AT NEW PRICES.
A LIVELY TRADE
AND CHEAP GOODS
THE MOTTO.
GREAT DECLINE IN PRICES.
DRY GOODS AT PANIC RATES.
COTTON GOODS "WAY DOWN."
BEST MUSLINS at 1 cent a yard profit.
Through the dull winter months we intend to give our customers "lots of bargains," in short we intend to sell goods nearly at cost, and thus keep things moving, and not allow dull trade to make our acquaintance. So look out for bargains, and when you want them go to
FOSTER BROTHERS,
No. 272 Bleecker-st., corner Commerce.

AT ELGER'S,
EMPRESS KID GLOVES,
REDUCED TO $1.
Beautiful colors and quality.

AT ELGER'S,
DOG SKIN AND CALF GLOVES,
In black and colors for ladies and misses.

AT ELGER'S,
SCARLET AND WHITE CLOTH GLOVES
For ladies and misses.

AT ELGER'S,
THE BEST ASSORTMENT OF GLOVES
In the city.

AT ELGER'S,
WATERFALL BREAKFAST CAPS,
New styles.

AT ELGER'S,
WHALEBONE CORSETS REDUCED
To $1 25.

AT ELGER'S,
RIBBON VELVETS, ALL COLORS,
New style dress trimmings, worsted ball fringe all colors, goat hair fringes and tassels.

AT ELGER'S,
WIDE BLACK LACE FOR VAILS.

AT ELGER'S,
BELT BUCKLES FROM 50c.,
100 different styles,

AT ELGER'S,
LADIES' AND CHILDREN'S FANCY HOISERY.

W. J. ELGER,
Importer of Hosiery and Fancy Goods,
Nos. 880 and 882 Broadway, near 19th-st.

BARGAINS! BARGAINS!
BLANKETS, FLANNELS, PRINTS, SHIRTING and SHEETING MUSLINS, CANTON FLANNELS, and other DOMESTICS, just purchased at the lowest market prices—in some instances FIFTY PER CENT. less than the prices two weeks ago.

We advise our friends to lay in their supplies before prices advance again.
ALSO,
An immense stock of BEAVER CLOTHS for Ladies' Cloaking, and CLOTHS and CASSIMERES for Men's and Boys' wear, at greatly reduced prices.
W. K. PEYTON,
Nos. 272 and 274 BOWERY.

TO MILLINERS AND COUNTRY
STOREKEEPERS.
WHOLESALE,
AT GRAND-ST. CHEAP STORE.
We cut Millinery Goods cheaper than down-town jobbers sell whole pieces. Call.
Mark the address, Nos. 311 and 311½ Grand and 66 Allen sts., fifth block east from the Bowery.
Entrance to the Wholesale Department, No. 66 Allen-st.
Second floor—Straw and Felt Goods.
Third floor—Ribbons, Millinery and Silk Goods.
Fourth floor—Case Goods only.

CLOAK AND MANTILLA
ESTABLISHMENT,
At No. 296 Canal-st.,
Under the Brandreth House.
PARISIAN VELVET CLOAKS,
the latest novelties.
OPERA CLOAKS,
and the largest assortment in the United States of all kinds of
WINTER CLOAKS,
in elegant styles, at
ADOLPH NEW,
No. 296, the first store in Canal-st., No. 296.

MOURNING BONNETS,
A MOST BEAUTIFUL STOCK.
SOME CHOICE NOVELTIES THIS WEEK.
N. B.—JUST RECEIVED 9-4 BLACK CRAPE CLOTH, a new article for dress, at
JACKSON'S MOURNING STORE,
No. 551 Broadway, between Spring and Prince sts.,
Opposite Tiffany & Co.

BEADS! BEADS!! BEADS!!!
AND FANCY GOODS.
M. P. BROWN, Importer,
No. 186 Pearl-st., New-York.

INDIA GOODS! MARCHANDISE DE L'INDE! INDIANISCHE WAAREN! All kinds of staple, fancy, curious articles, silks and shawls, at FOUNTAIN'S INDIA STORE, No. 858 Broadway, near 14th-st.

WATCHES AND JEWELRY.

WATCHES.
MR. JOHN GOWANS,
AT E. & G. W. BLUNT'S,
No. 179 Water-st.,
invites the attention of gentlemen desiring fine timepieces, to his superior watches, his own make, either chronometer or lever movements, which he guarantees to keep time equal to the best imported watches. Mr. Gowans received the only premiums awarded at the American Institute Fair of 1865, for watches and marine chronometers. He has also an assortment of imported watches at various prices.

WINES AND LIQUORS.

FOR THE HOLIDAYS.
The undersigned offers for sale
AT WHOLESALE PRICES,
his large stock of Champagne, Claret, Burgundy, Sauterne, Muscat, Sherry, Port, and Malaga Wines.
All goods warranted strictly pure.
Send for a price list, or apply to J. MARC MARTIN, Importer, No. 203 Pearl-st., New-York.

PURE JUICE ISABELLA GRAPE WINE, 1858.—Two large casks, 3 to 600 gallons, for sale by A. P. HARD, No. 44 Beekman-st.

SITUATIONS WANTED.

FEMALES.

WANTED—A SITUATION BY A FIRST-CLASS laundress, who understands French fluting and every branch connected with laundry, and can give the very highest references as to capability, honesty, &c., in a private family, either in the city or country. May be seen at No. 397 4th-av., between 28th and 29th sts.

WANTED—A SITUATION AS NURSE BY A thoroughly competent and reliable person; has had long experience, and can furnish the highest city reference; none but first-class families need apply. Can be seen for two days at No. 139 East 13th-st., between 3d and 4th avs.

WANTED—A SITUATION, BY A RESPECTable Protestant young woman, as chambermaid and seamstress, or as waitress in a private family; the best of city reference given. Call for two days at No. 77 East 27th-st., first floor, front room.

WANTED—A SITUATION BY A YOUNG WOman, three months landed from the old country, to take care of children, or would do general housework; is neat and obliging; wages no objection. Call No. 342 West 36th-st.

WANTED—A SITUATION BY A WELL REcommended and obliging woman, in city or country; is a first-rate cook and baker, and an excellent laundress; would do chamberwork and washing. Call at No. 404 6th-av.

WANTED—A SITUATION BY A YOUNG WOman as seamstress; can do all kinds of family sewing, cut and fit ladies' and children's dresses; the best of city reference given. Can be seen for two days at No. 280 East 14th-st., second floor, front room.

WANTED—A SITUATION BY A YOUNG WOman as chambermaid and waitress, and assist with children, or would cook, wash and iron in a private family; has very good city reference from her last places. Call at No. 334 West 36th-st.

WANTED—A SITUATION AS SEAMSTRESS by a thoroughly competent young girl; understands perfectly all kinds of family sewing and latest styles of trimming; can give best of city reference. Address No. 124 East 20th-st.

WANTED—A SITUATION BY A RESPECTAble Protestant girl as chambermaid, and to assist in washing; can be well recommended. Call at No. 39 West 13th-st.

WANTED—BY A RESPECTABLE WOMAN, A situation as wet nurse; has a good breast of milk; good reference. Call for two days at No. 185 South 2d-st., Jersey City, between Grove and Prospect sts.

WANTED—A SITUATION BY A YOUNG WOman as nurse; is fully competent to take the entire care of a baby; has the best city references from her last places. Call at No. 334 West 36th-st.

WANTED—A SITUATION BY AN ACTIVE young woman, as first-class waitress; can take a waiter man's place, city reference. Call at No. 411 2d-av., near 24th-st., second floor, front room.

WANTED—A SITUATION BY A RESPECTAble woman as cook; thoroughly understands her business; no objection to assist with washing if required. Can be seen for two days at 96 West 19th-st., in the rear.

WANTED—BY A COMPETENT PERSON, A situation as nurse and seamstress, or as chambermaid; best of references given. Call for two days at No. 38 East 26th-st.

WANTED—A SITUATION BY A RESPECTAble woman to cook, wash and iron, in a small family; good reference given if required. Call for two days at No. 58 Sands-st., Brooklyn, L. I.

WANTED—A SITUATION BY A PROTESTANT woman as infant's nurse, to take entire charge; can bring up with the bottle; has unquestionable references. Seen until engaged at No. 120 West 22d-st.

WANTED—A SITUATION AS FIRST-CLASS seamstress, or as nurse or lady's maid; is willing to leave the city and to make herself generally useful; has the highest city reference. Call at No. 141 4th-av.

WANTED—A SITUATION BY A RESPECTAble Protestant girl to take care of children and make herself generally useful; no objection to the country; good city reference given. Apply at No. 121 West 20th-st.

WANTED—BY A FASHIONABLE DRESSmaker, an engagement by the day in a gentleman's family. Call on or address M. L., No. 201½ East 23d-st.

WANTED—BY A COLORED WOMAN A SITUAtion as cook; has satisfactory references. Apply at No. 756 Greenwich-st., between Bank and Hammond sts.

WANTED—A SITUATION AS COOK, WASHer and ironer; best of city reference can be given. Call at No. 92 West 19th-st., between 6th and 7th avs.

WANTED—BY A GOOD DRESSMAKER, TO work out by the day. Call at No. 215 7th-av.

A LADY WISHES PLACES FOR TWO good girls—one (French) as chambermaid, the other as kitchenmaid, who will go to the country. Call before 12 at No. 15 East 15th-st.

TO EMPLOYERS OF RESPECTABLE, competent and well-recommended female help, English, Welch, French, Scotch, American, German, Irish, Protestants, and others, as ladies' maids, family seamstresses, nurses, chambermaids, waitresses and laundresses, first-class cooks and good plain cooks, washers and ironers, smart girls for general housework. Employers will please notice that they can be supplied with good girls of all nations; private families, hotels, and first-class boarding-houses, in city and country; also, housekeepers, governesses, and ladies' maids, to travel, by applying at Mrs. WESLEY'S Select Employment Office, No. 88 4th-av., near 11th-st.

MALES.

WANTED—A SITUATION BY A YOUNG MAN 18 years of age, in a gentleman's family, to drive or wait on table; or as porter in a store; no objection to go in the country; has a recommendation from his last employer. Address or inquire, for two days, No. 480 Hudson-st., in the rear, between 9 and 12 A. M.

WANTED—A SITUATION AS FARMER, BY A single man, Scotch; thoroughly understands his business in all its branches, care and management of horses, raising of stock, &c., &c. Call or address, for three days, J. J., care of Henderson & Fleming, seedsmen, No. 67 Nassau-st.

WANTED—BY A YOUNG SCOTCHMAN, HAVing a thorough knowledge of book-keeping and general business, a situation as clerk or book-keeper; can give the best of city references. Address J. M., Marine Iron Works, Goerck-st.

WANTED—BY A STEADY YOUNG MAN A situation as coachman in a nice private family; he has four years' reference from England; best city reference from last employer. Call at No. 237 East 24th-st., near 2d-av.

WANTED—A SITUATION AS COACHMAN and groom by a man that thoroughly understands the care of horses; is willing and obliging; has four years' city references. Address E. B., Box No. 210 Times Office.

WANTED—A SITUATION AS COACHMAN BY a respectable young man; knows his business thoroughly; can milk if required; no objection to the country; best of reference given from last employer. Address, for two days, J. P., Box No. 214 Times Office.

WANTED—A SITUATION AS COACHMAN and groom by a single man, who has the best of city references, and who thoroughly understands his business in all its branches. Address C., Box No. 220 Times Office, or No. 191 Mercer-st.

WANTED—A SITUATION ON A FARM BY A young man with the best of country reference; can take care of horses and drive; can milk, and is willing to make himself useful about a gentleman's place. Address P. B., Box No. 211 Times Office.

WANTED—A SITUATION AS COACHMAN and gardener, by a single man, who thoroughly understands his business; can milk; would be generally useful; has the best of city reference. Address M. C., Box No. 216 Times Office.

WANTED—A SITUATION AS COACHMAN and groom by a young man; understands the care of horses thoroughly; ten years' experience; unquestionable reference given from last employers. Address C. E., Box No. 197 Times Office.

WANTED—BY A STOUT, ABLE MAN A SITUation; he understands all kinds of work; understands the care of horses; has got two years' reference. Address E. PENDERGAST, Box No. 212 Times Office.

WANTED—A SITUATION AS COACHMAN OR gardener, by a single Englishman; is capable and willing; unexceptionable reference. Address JOHN, Box No. 211 Times Office.

WANTED—A SITUATION AS COACHMAN BY a Protestant man; thoroughly understands his business; is sober and reliable; has ten years of the best reference. Address R. G., Box 214 Times Office.

WANTED—A SITUATION IN A WHOLESALE store by an experienced salesman; first-class city references. Address, for one week, ENERGY, Box No. 174 Times Office.

WANTED—A SITUATION AS COACHMAN BY a single Protestant man in city or country; perfectly understands his business; has good references. Address J. P., Box No. 211 Times Office.

WANTED—A SITUATION AS COACHMAN BY a man who understands his business; has long recommendations; lived five years in last place. Call or address D. S., No. 7 East 39th-st., private stable.

WANTED—A SITUATION AS FIRST-CLASS waiter or butler in a private family by a single man; good city reference. Address WAITER, saddler's store, corner 13th-st. and Broadway.

WANTED—A HOUSEKEEPER'S SITUATION, for a lady every way competent, in a first-class hotel or family. Inquire of J. A. SKILTON, 128 West 14th-st.

A BONUS OF $25 WILL BE GIVEN FOR a permanent situation by a young man of good business abilities, and $100 deposited, if required, as security. Address W. B. N., Box No. 165 Times Office.

HELP WANTED.

WANTED—A GOOD BOOK-KEEPER. Address, by letter, with references,
A. T. STEWART & CO.,
Broadway, Chambers and Reade sts.

WANTED—A BOY FROM 14 TO 17 YEARS OLD who writes a good plain hand, and has some idea of drawing. Apply to E. S. RENWICK, No. 335 Broadway, Room 48, by letter or personally between 10 and 12 A. M.

WANTED—A MAN TO GO TO CANADA TO boil sugar; one that is accustomed to work a sugar pan for centrifugal machines. Address A. B. C., Box No. 178 Times Office, for ten days.

WANTED—MARRIED MAN FOR GARDEN and farm; wife as help; situations permanent. Call on W. HANNAM, No. 6 College-place.

WANTED—A FIRST-CLASS WAITER WITH unquestionable reference for honesty, sobriety and capability. Apply before 10 o'clock A. M. at 305 5th-av.

WANTED—AN EXPERIENCED FAMILY nurse and seamstress, to live in the country. Protestant preferred. Apply at No. 48 South-st.

WANTED—ACTIVE, ENERGETIC SALESMEN in Men's Furnishing Goods. Apply by letter to JOHN M. DAVIES & CO., No. 22 Warren-st.

WANTED—A GOOD COOK; SHE MUST BE A good washer and ironer; English, German, or Scotch. Call at No. 46 Irving-place, from 9 till 2 P. M.

WANTED—AN AMERICAN PROTESTANT girl, to do general housework in a small family. Apply 117th-st., first house east of 3d-av.

WANTED—A GOOD COOK AND BAKER, WITH city references, at No. 46 East 20th-st.

BOARDING AND LODGING.

BOARDING—PLEASANT FURNISHED ROOMS, and extension on parlor floor; parlor and two bedrooms adjoining on 2d floor; dinner at 6. 34 West 29th-st.

57 WEST ELEVENTH-ST.—A CARD.—Elegantly furnished rooms, en suite, for families and single gentlemen; private table if desired; references exchanged. Apply as above, one door from 5th-av.

A HANDSOMELY FURNISHED PARLOR floor to let, private table, between 30th and 34th-sts., near Madison-av.; family strictly private; reference given and required. MADISON, Box No. 103 Times Office.

MARBLE MANTELS.—THE BEST PLACE in the city to purchase Marble Mantels of the latest designs at very low prices, is at A. KLABER'S Marble Works, No. 109 East 18th-st., near 3d-av., N. Y. Mantels put up in the country. Cut this out!

AMUSEMENTS.

ACADEMY OF MUSIC—TO-NIGHT.

Director..........MAX MARETZEK.
ITALIAN OPERA.
This establishment does not advertise in the New-York Herald.
TO-NIGHT—L'AFRICAINE.
Doors open at 7; to commence at 7½.
THIS (Wednesday) EVENING, Dec. 6,
(Twenty-first night, second subscription,)
The unprecedentedly successful new opera,
L'AFRICAINE,
with its magnificent and gorgeous mise en scene and most extraordinary and complete cast.
MME. CAROZZI-ZUCCHI,
MLLE. ORTOLANI,
SIGNOR MAZZOLENI,
SIGNOR BELLINI,
SIGNOR ANTONUCCI,
SIGNOR LORINI,
SIGNOR BARILI,
HERR MULLER, HERR REICHARDT.
Conductor..........CARL BERGMANN.
THURSDAY—(Opera in Brooklyn)—CRISPINO.
FRIDAY EVENING—L'AFRICAINE.
SATURDAY AFTERNOON—GRAND MATINEE.
L'AFRICAINE.
Reserved seats and tickets for the above-named performances may now be had at all the ticket offices, viz.; The box-office of the Academy; Beer & Schirmer's, No. 701 Broadway; Pond & Co.'s, No. 543 Broadway; Schuberth & Co.'s, No. 820 Broadway, and Root, Anthony & Co.'s, No. 21 Nassau-st.

BROOKLYN ACADEMY OF MUSIC.

Director..........MAX MARETZEK.
ITALIAN OPERA.
This establishment does not advertise in the New-York Herald.
On THURSDAY EVENING, Dec. 7, at 7¾,
GRAND GALA NIGHT.
By particular request,
CRISPINO E LA COMARE,
(THE COBBLER AND THE FAIRY,)
with its extraordinary brilliant and complete cast.
The sale of reserved seats and tickets will commence THIS MORNING, in Brooklyn, at the box-office of the Academy, and in New-York at Root, Anthony & Co.'s, No. 21 Nassau-st.

ACADEMY OF MUSIC—MATINEE.

Director..........MAX MARETZEK.
This establishment does not advertise in the New-York Herald.
L'AFRICAINE AT A MATINEE.
CARD.—Mr. MARETZEK respectfully announces to the lady patrons of the matinees that he will give
A GRAND MATINEE PERFORMANCE OF
L'AFRICANE
On SATURDAY NEXT, Dec. 9.
To effect this, the Director is compelled to throw up a regular evening performance, the importance of the work rendering it impossible to give it more than four times a week. The loss from this cause, augmented by the additional expense of each performance, in extra orchestra, chorus, ballet, &c., will compel Mr. Maretzek to raise the prices of admission for this occasion only, TO ONE DOLLAR AND A HALF.
It is highly important to procure tickets early, so that there may be no delay at the door. They can now be had at all the regular ticket offices.

ACADEMY OF MUSIC.

This establishment does not advertise in the New-York Herald.
BENEFIT
OF
THE FRENCH BENEVOLENT SOCIETY.
SATURDAY EVENING, Dec. 9, 1865,
for the last time of the season, previous to the departure of the opera troupe for Boston,
CRISPINO E LA COMARE,
(THE COBBLER AND THE FAIRY,)
with the third act of Meyerbeer's grand opera,
ROBERT LE DIABLE.
Seats may be secured at the inside ticket office of the Academy of Music, and at Beer & Schirmer's, No. 701 Broadway; Schuberth & Co.'s, No. 820 Broadway; Root, Anthony & Co.'s, No. 21 Nassau-st.

COOPER INSTITUTE,

DEC. 16, 19, 21, 22 AND 23.
H. M. FAY, former confederate of the DAVENPORT BROTHERS, previous to sailing to Europe to expose them, will give, on the evenings of the above dates, at
COOPER INSTITUTE,
a complete and thorough exposition of all their
TRICKS AND HUMBUGGERY.
Remember the dates—Dec. 16, 19, 21, 22 and 23.

THE SCIENTIFIC MIRACLE OF THE AGE.
PHAROAH'S SERPENTS.
"It will astonish the groups around many a Winter's fireside."—*London Standard.*
50 cents per box. By mail, 55 cents.
LONDON STEREOSCOPIC AND PHOTOGRAPHIC COMPANY,
J. L. WARREN, Manager.
No. 579 Broadway.

NEW PUBLICATIONS.

THE BEST HOLIDAY PRESENTS.
HANDSOMELY BOUND ENGLISH BIBLES.
AMERICAN EPISCOPAL PRAYER BOOKS.
CHURCH SERVICES, &c., &c.
FANCY LEATHER GOODS, AS TOURISTS' CASES, POCKET-BOOKS, DESKS, ALBUMS, &c.
EYRE & SPOTTISWOODE,
No. 626 Broadway, New-York.
Branch of London establishment.

THE CONFESSIONS AND EXPERIENCE OF AN INVALID—Published for the benefit, and as a caution, to young men and others who suffer from nervous debility, premature decay of manhood, &c., supplying at the same time the means of self-cure. By one who has cured himself after undergoing considerable quackery. By inclosing a post-paid addressed envelope, single copies may be had of the author.
NATHANIEL MAYFAIR, Esq.,
Brooklyn, Kings Co., N. Y.

PILES, VARICOCELE, STRICTURE, FISTULA, RUPTURE—Their modern treatment and radical cure—SCALPEL No. 46, edited by EDWARD H. DIXON, M. D., 64 pages, elegantly printed cuts; 50 cents. EVERARDUS WARNER, Vesey-st., Astor House, or Box No. 3,121. For full set of the SCAPEL in volumes, (six—pages 500 each,) at $18, apply to the Editor, No. 42 5th-av. Office hours from 1 to 3, and 7 to 9 evenings.

MATRIMONY.—WHY EVERY MAN SHOULD marry. Why every woman should marry. All may marry. To know, read ILLUSTRATED MARRIAGE GUIDE AND MEDICAL ADVISER, by WM. EARL, M. D.; 240 pages. Mailed everywhere in double wrapper, on receipt of 30 cents. Address 12 White-st., New-York.

MISCELLANEOUS.

JEWS' HOSPITAL IN NEW-YORK,
NOS. 138 AND 140 WEST 28TH-ST.
Between 7th and 8th avs.
NEW-YORK, Nov. 20, 1865.
An election will be held at the hospital on the 10th day of December next for three Directors, as Class No. 4, to serve for four years from the 16th day of January next, in place of Messrs. N. K. Rosenfeld, H. Aronson and Anson Leo, all of whose term of office will expire on that day.
The poll will be open at 11 o'clock A. M., and close at 12 o'clock M.
SAMUEL A. LEWIS,
Hon'y Sect'y.

IRON! IRON!!
200 tons No. 1 Scotch Pig.
250 tons No. 1 Allentown.
250 tons No. 1 Thomas.
200 tons No. 1 Carbon.
200 tons No. 1 Poughkeepsie.
500 tons best Bar Iron.
100 tons common Bar Iron.
100 tons Wrought Scrap.
100 tons best Spike Iron.
Ready for immediate delivery. For sale by
PETTEE, WILSON & CO., No. 228 South-st.

HENRY STUYVESANT,
Manufacturer of
PICKLES, PRESERVES, KETCHUPS, &c.
PRESERVED FRUITS AND VEGETABLES,
of all kinds.
Hermetically sealed articles, Mustards, Jellies, Flavoring Extracts, Olive Oil, Sardines, Condensed Milk, Cider, London Porter, Scotch Ale, &c., &c.
No. 61 Dey-st., New-York.
Shipping orders promptly filled.

HO! FOR TENNESSEE!
A company is now being formed for the purpose of immigrating to the "Cumberland Table," near Crossville, the county seat of Cumberland County, Tenn., which is the most desirable portion of the table, where excellent land is to be had for $5 per acre, with perfect title, soft water, good market, short and mild Winters, and the finest and most salubrious climate in the United States. Those who desire definite information may obtain it by addressing, or personally applying to
W. W. POWELL,
No. 76 Court-st., corner State-st., Brooklyn, N. Y.

DONATION VISIT AT THE HOME FOR THE FRIENDLESS, NO. 32 EAST 30TH-ST.—The friends and patrons of the Home for the Friendless are invited to visit the Institution on THANKSGIVING DAY, Dec. 7, between the hours of 2 and 8 o'clock P. M. Exercises in the Chapel, by the children, as usual, commencing in the afternoon at 2, and in the evening at 6½ o'clock. Recess and dinner for the children, between the hours of 4 and 6 o'clock. The several Home Industrial Schools—not convened at the Home—will have their Thanksgiving dinner at their respective school-rooms, on the same day or the day following. Provisions, clothing or anything in the line of family supplies, will be gratefully received.

THE BEST AND CHEAPEST INKS.—"Keys' National Writing Fluid" and "American Union Ink." No sediment; flow freely and do not corrode. Sold by the trade generally. Manufactured by REEVES & CO., successor to J. G. Keys. Removed to No. 303 Washington-st., near Reade.

NOTICE IS HEREBY GIVEN TO THE Christian public, that Rev. JOHN FRISBEE, colored, has been duly authorized to receive contributions for the building of the A. M. E. Church, at Harlem.

CHARLES A. PEABODY HAS RESIGNED the position of United States Judge for Louisiana, and resumed the practice of law in New-York at No. 161 Broadway.

PERSONAL.

$250 REWARD.—THE ABOVE WILL BE given to any one who can furnish information as to where a young man called ROBERT CAMPBELL, last seen alive in July, 1864, is to be found, or satisfy his friends that he is dead. Write to M. C. B., Box No. 121 Times Office, or to No. 60 6th-av., in the furniture-store.

C. L. M. IS DETAINED BY ACCIDENT till WEDNESDAY. Will not return. Go there after THURSDAY, and remain till answer.

LOST AND FOUND.

LOST OR MISLAID.
On or about the 10th day of June, 1865, A CERTIFICATE OF INDEBTEDNESS, dated June 2, 1865, No. 318, issued from the office of the Paymaster-General of the State of New-York, signed R. E. Fenton, Governor, and S. E. Mazoin, Paymaster-General of the said State of New-York, requesting the Comptroller of said State to issue to Abram Balson, Supervisor of the town of Brunswick, $19,000 of the bonds of said State of New-York, and to pay him in cash the sum of $9,500. Also, AN ORDER, signed by Lucius Robinson, Comptroller of the State of New-York, directed to the Cashier of the Manhattan Company, New-York, to issue and deliver to the Supervisor of the town of Brunswick, a bond of the State of New-York for the sum of $19,000. Delivery or payment on the same has been stopped. DANIEL W. FORD.

FOUND—AT THE ACADEMY OF MUSIC, A BRACELET. Any person proving property may have the same by applying at No. [illegible] 5th-av.

AMUSEMENTS.

OLYMPIC THEATRE.

Sole Lessee and Manageress..........Mrs. JOHN WOOD
Stage Manager..........J. H. SELWYN
This establishment does not advertise in the New-York Herald.
EVERY EVENING TILL FURTHER NOTICE,
[illegible]
SCENERY ENTIRELY NEW, BY HAYES,
(comprising novel and extraordinary effects,)
MUSIC ARRANGED EXPRESSLY BY THOMAS BAKER.
Mechanical Effects, by W. Sanders,
Gorgeous Costumes, by J. Bullock,
Beautiful Appointments and Humorous Masks,
by W. Henry,
A Drama of Hope, Despair and Revenge, dramatized expressly for the Olympic, from the celebrated romance of A. Dumas, entitled
MONTE CRISTO;
OR, THE
LONE PRISONER OF THE CHATEAU D'IF,
introducing the eminent and favorite actor,
MR. E. L. DAVENPORT,
who has been expressly engaged to give due effect to this powerful drama.
During the piece, a Grand Ballet, by the following artiste;
MLLE. GIULIETTA BRONNER and M. GIUSEPPE CARDELLA,
from the Royal Operas of Turin, Milan, &c.
THE BEAUTIFUL DANSEUSE MLLE. ELISE.
The piece will be presented with the following powerful cast:
Edmond Dantes..........Mr. E. L. Davenport
Danglars..........Mr. C. Morton
Villefort..........Mr. T. J. Hind
Fernand..........Mr. G. W. Garrison
Caderousse..........Mr. James Lewis
Abbe Faria..........Mr. J. H. Stoddart
Andrea Benedetto..........Mr. J. H. Selwyn
M. De Boville..........Mr. C. H. Rockwell
Morel..........Mr. Scott
Governor..........Mr. Stanley
Albert..........Miss Louisa Meyers
Mercedes..........Miss Kate Newton
Haydee..........Miss Eliza Newton
ACT 1.—Entrance to the Port and Harbor of Marseilles.
ACT 2.—Dungeons of Chateau D'If—Ramparts of the Seagirt Fortress.
ACT 3.—Island of Monte Cristo—Caves of Monte Cristo.
ACT 4.—Lone Inn—Home of Sinbad the Sailor.
ACT 5.—House of Count de Morcerf—by J. Hillyard.
CARNIVAL.
Doors open at 7½; curtain rises at 7¾ precisely.
Seats secured three days in advance.

WINTER GARDEN.

This establishment does not advertise in the New-York Herald.
TO-NIGHT,
will be presented, with new scenery, appropriate costumes, &c., the celebrated play, illustrative of
AMERICAN CHARACTER,
AMERICAN SCENES, and
SOUTHERN HOMES,
entitled
THE OCTOROON;
OR, LIFE IN LOUISIANA,
for THE FIRST TIME,
as remodelled and compressed into four acts by its author,
DION BOUCICAULT,
with
MR. J. S. CLARKE
in his great character,
SALEM SCUDDER,
THE YANKEE OVERSEER.
MISS ROSE EYTINGE
as ZOE, THE OCTAROON.
Mr. J. G. Hanley..........as..........Wahnotee,
(a Le Pau Indian Chief.)
Mr. John Dyott..........as..........McCloskey.
(the piece of Connecticut hardware.)
Mr. C. Walcot..........as..........Pete, the old Slave.
Mr. Andrews..........as...Poindexter, the Auct'r.
Mr. Burroughs..........as..........George Peyton.
Mr. H. Bland..........as...Sunnyside, the Planter.
Miss Andrews..........as..........Madame Peyton,
the Southern Lady.
Mrs. C. Walcot, Jr..........as..........Dora Sunnyside,
a Southern Belle.
Doors open 7½; commences at 8 o'clock.
THANKSGIVING, Dec. 7—THE OCTOROON.
Seats may now be secured.

NEW-YORK CIRCUS, HIPPOTHEATRON.

Fourteenth-street, opposite the Academy of Music.
L. B. LENT..........MANAGER
This establishment does not advertise in the New-York Herald.
A BRILLIANT PROGRAMME,
introducing the Champion Rider of the World,
Mr. JAMES ROBINSON,
and the extraordinary infantile artiste,
LITTLE CLARENCE, THE BABY WONDER,
together with the
SUPERB EQUESTRIAN TROUPE,
the largest and most talented ever organized. Also,
DANCING HORSES
AND EDUCATED MULES.
EVERY NIGHT, AT 8.
MATINEES! MATINEES!
WEDNESDAY and SATURDAY, at 2½.
THREE PERFORMANCES THANKSGIVING DAY,
commencing at 10½ A. M., 2½ and 8 o'clock P. M.

WOOD'S MINSTRELS—NO. 514 BROADWAY.

This establishment does not advertise in the New-York Herald.
MONDAY, Dec. 4,
and every evening during the week, will be performed a musical, domestic sketch and grand allegorical tableau, favorable to the Fenian cause, and exhibiting the present and future state of Ireland, written for "Wood's Minstrels," (copyright secured) entitled
A FAIR FENIAN FIGHT FOR FREEDOM.
Scene 1—Brother Jonathan's Yankee Notion Shop. Scene 2—A Street in Jonathan's Village. Scene 3—Hall in John Bull's Mansion. Scene 4—Pat's Cabin. Scene 5—Grand Allegory, "The Shamrock," "Ireland is Free," "Erin go Bragh." Previous to the piece, the usual variety of ETHIOPIAN MINSTRELSY. A Grand Matinée on THANKSGIVING DAY, at 2½ o'clock.

TEMPLE OF MUSIC,

Corner Grand and Crosby sts., one block east of Broadway.
THE ONLY FIRE-PROOF HALL OF AMUSEMENT IN THE CITY.
Grand and unprecedented success of
THORPE & OVERIN'S MINSTREL NATIONALITIES.
The great artists,
DONALDSON,
WHITE,
BOLUS,
CLIFFORD,
GIANT CLARK BROTHERS,
AND OTHER CELEBRATED FAVORITES
appear nightly.
Two grand entertainments Thanksgiving Day. RETRIBUTION; OR, THE DOWNFALL OF HUMBUG. Every evening, commencing MONDAY, Dec. 4. Admission 30 cents; parquet 50 cents. Doors open at 6¾; commencing 7½.

GRAND MATINEE

Of the THORPE & OVERIN MINSTREL TROUPE OF ALL NATIONS,
On THURSDAY AFTERNOON, (Thanksgiving Day,) at 2 o'clock, in the New Temple of Music, corner Grand and Crosby sts. All the great specialties of this favorite combination will be introduced.

A YOUNG LADY, 19 YEARS OF AGE, recently thrown on her own resources, and being desirous of completing her studies for the stage, requires assistance. Parties willing and able to assist her will please address A. B., Station E, for one week, with terms, &c. A resident of one of the Western States preferred.

LECTURES.

JOHN B. GOUGH WILL DELIVER HIS popular lecture on *Eloquence and Oratory*, at the Academy of Music, New-York, THURSDAY EVENING, Dec. 7. Doors open at 7 o'clock. Lecture to commence at 8. Tickets for boxes and reserved seats may be obtained at the Academy ticket office and Root, Anthony & Co.'s, No. 21 Nassau-st., from the 1st to the 7th of December. Tickets, other than for boxes and reserved seats, for sale at Appleton's, No. 443 Broadway; Sunday School Union, No. 599 Broadway; E. L. Jones, No. 843 Broadway; O. & J. Mowbray, No. 214 Bowery; Wm. H. Croft, No. 248 Bowery; Heard & Co., No. 301 Grand-st., and at the door, on the evening of the lecture. Tickets for reserved seats, $1; for upper circle, 50 cents; all others, except boxes, 75 cents.

JOHN B. GOUGH WILL LECTURE ON TEMPERANCE at the Brooklyn Academy of Music on WEDNESDAY EVENING next, 6th inst., at 8 o'clock. PHILIP PHILLIPS, of Cincinnati, Ohio, one of the sweetest singers in the country, will be present on the occasion, and favor the audience with some of his excellent music.
Reserved seats may be obtained, without extra charge, on early application to Swayne's book-store, No. 210 Fulton-st., Brooklyn.

NEW-YORK YOUNG MEN'S CHRISTIAN ASSOCIATION.—Rev. CHARLES H. PAYSON will deliver a free lecture THIS EVENING, at 8 o'clock, at the rooms of the association, No. 161 5th-av., corner 22d-st. Subject—*Germany and the Germans.*

BUSINESS CHANCES.

A GREAT CHANCE TO SELL ONE-HALF interest in a large and well-established hardware manufacturing business, to take the interest of a retiring partner. The business is in this city, and wholly cash and ready sale. None but principals need apply. Address A., Box No. 140 Times Office.

FOR SALE—A FIRST-CLASS GROCERY OF seven years' standing, on one of the principal avenues of Brooklyn, doing a good trade. Only reason for selling, the proprietors have other business requiring their attention. For particulars apply to WM. MACKEY, No. 93 Fulton-av., Brooklyn.

SPECIAL PARTNERSHIP.—A GENTLEman having $50,000 in cash, is desirous of forming a special partnership with an old established house. Address, with real name, S. A. S., Box No. 104 New-York Post-office.

A COMPANY IS BEING FORMED BASED upon an established business in and patents upon sewing-machines. To a substantial man of capital and influence a desirable opening is offered. Address MANUFACTURERS, Box No. 1,442 New-York Post-office.

TO MANUFACTURERS.—A BUSINESS MAN with $2,000 would like to engage in some light, profitable manufacturing business. Address, stating the nature of it, WILLIS, Box No. 212 Times Office.

FOR SALE—THE STOCK AND BUSINESS OF a country store, doing a business of over $50,000. Address Box No. 9 Astoria Post-office.

DENTISTRY.

COLTON DENTAL ASSOCIATION.—DR. COLTON is the undisputed originator of the painless and pleasant extraction of teeth with Nitrous Oxide Gas, and has given it to over 8,000 patients without an accident. To avoid the crowd and save time waiting, secure an appointment. Office No. 19 Cooper Institute.

I WISH TO INFORM MY FRIENDS AND patients that I do use the
LAUGHING GAS
constantly. It is as harmless as air, and the operation absolutely painless. O. A. JARVIS, Dentist, No. 93 West 13th-st., 8 doors west of 6th-av., N. Y.

DR. HOYT, DENTIST—ORIGINATOR OF anesthetic nitrous oxide, has used it for years with perfect success, often extracting fourteen to sixteen teeth at a single operation without the knowledge of the patient. Office No. 578 Broadway, near 13th-st.

UNUSUAL INDUCEMENTS FOR SETS OF teeth until after the holidays; sets complete in five hours; gas daily administered fresh and teeth extracted without pain at Dr. VAN VLECK'S, No. 175 6th-av.

HORSES AND CARRIAGES.

FOR SALE—A LIGHT SHIFTING-TOP WAGon, one two-seated rockaway and one express wagon. Also, three sets harness and one black mare. For particulars, apply to WM. A. READ, butter-stand, Nos. 51 and 55 Centre Market, New-York.

GENTLEMEN WISHING CARRIAGE-horses boarded for the Winter, can find accommodation by letter addressed to F., Box No. 403 Newburgh, N. Y., stating feed, attention and exercise required.

MEETINGS.

THE ANNUAL MEETING OF THE MANAgers of the Colored Orphan Asylum will be held at Mrs. Christopher Roberts', No. 10 East 40th-st., on MONDAY, Dec. 11, at 12 o'clock.

AMUSEMENTS.

BARNUM'S NEW AMERICAN MUSEUM,

Broadway, between Spring and Prince sts.
This establishment does not advertise in the New-York Herald.
THE ONLY PLACE OF AMUSEMENT
in America where a
MUSEUM, CIRCUS AND THE DRAMA
are combined.
AFTERNOON AT 3—EVENING AT 7½.
CROWDS DAILY RESORT
to witness the talented
CIRCUS TROUPE,
WITH THEIR THOROUGHBRED HORSES,
appear in the most
DARING AND BRILLIANT ACTS,
IN THE
MAGNIFICENT ARENA,
concluding their entertainments with the mirthful act of
MONS. AND MME. DENNIE'S VISIT TO THE RIDING-SCHOOL.
Previous to the circus performance, the original, romantic, domestic drama, in two acts, of
TRIALS OF LIFE;
OR, THE MOMENTOUS QUESTION,
BY THE TALENTED DRAMATIC COMPANY.
MR. W. B. HARRISON, Extemporaneous Singer.
Just arrived, a wonderful accession to the living curiosities
MAJOR COLVIN, aged 11 years, 19 inches high, weighing 12 pounds—the smallest dwarf living.
MISS LIZZIE READ, the Miniature Lady.
GEN. GRANT, Jr., aged 14, 23 inches high, 18 pounds.
THREE IMMENSE LIVING GIANTS!
TWO BEAUTIFUL CIRCASSIAN GIRLS!
BOHEMIAN GLASS-BLOWERS,
TWO STEAM GLASS ENGINES IN MOTION.
John Battersly, the LIVING SKELETON, weighing only 67 pounds, and his wife, a MAMMOTH FAT WOMAN, nearly 700 pounds.
THREE-HORNED BULL, ALBINO BOY.
Cosmoramas, Stereoscopticons, Learned Seal, Happy Family, Grand Aquaria, 100,000 Curiosities.
Admission 30 cts.; Children, under ten, 15 cts.
THANKSGIVING DAY, THURSDAY, DEC. 7.
PERFORMANCES NEARLY EVERY HOUR, DAY AND EVENING.

NEW BOWERY THEATRE.

Sole Proprietor..........Mr. J. W. Lingard
This establishment does not advertise in the New-York Herald.
The magnificent Drama of
ROBIN HOOD, THE BOLD OUTLAW,
and the Drama of the
TARTAR HORDE,
and the
BLESSED BABY.
Mr. Walter Grisdale, Mrs. W. G. Jones, Geo. Brookes, Mr. G. W. Thompson, G. W. Lingard, Miss Annie Hyatt, and the whole company.
THANKSGIVING.
Afternoon and evening—Five grand entertainments.

BROADWAY THEATRE. BEGINS 7¾.

NINTH WEEK. OVERWHELMING AUDIENCES.
UNPARALLELED TRIUMPH
OF
MR. F. S. CHANFRAU..as..........SAM
supported by
MISS OLIVE LOGAN....as..........LAURA
MONDAY, DEC. 4, AND DURING THE WEEK.
FIFTY-SIXTH NIGHT OF
SAM.
The most successful production of the season in New-York. Crowded houses. Roars of laughter. Incessant applause.
BEAUTIFUL SCENERY AND SPLENDID ACTING.
GRAND GALA MATINEE OF SAM,
THANKSGIVING DAY, (Thursday,) Dec. 7.
Doors open at 1; begins 1½; closes 3¾.
NINTH FAMILY MATINEE SATURDAY NEXT.

BROADWAY THEATRE—EXTRA.

GALA MATINEE THANKSGIVING DAY.
THE COMEDY OF SAM
WILL BE GIVEN COMPLETE,
with all its store of
FUN, MIRTH AND HUMOR,
as
A GRAND SPECIAL MATINEE,
on
THURSDAY AFTERNOON, (Thanksgiving,) Dec. 7.
Doors open at 1; curtain rises at 1½; performance closes at 3¾, allowing ample time for the early evening trains.
This is a capital opportunity for ladies and out-town visitors to enjoy this the great comic triumph of the New-York season.
ADMISSION 50 CENTS.
Seats secured in advance.
MATINEE NEXT SATURDAY.

THIRD REGULAR PROMENADE CONCERT.

TWENTY-SECOND REGIMENT N. G. S. N. Y.,
Will be held
At the Armory, 14th-st., near 6th-av.,
On SATURDAY EVENING, Dec. 9, 1865, at 8 o'clock,
For the benefit of
THE FEMALE CARISTIAN HOME,
under the patronage of the following ladies:
Mrs. W. T. Blodgett, Mrs. Robert Browne,
Mrs. G. B. Saterlee, Miss Tracey,
Mrs. S. H. Wales, Miss Gardner,
Mrs. Edward Oothout, Mrs. W. S. Garner,
Mrs. J. W. Patterson, Mrs. D. Willis James,
Mrs. Roswell Skeel, Mrs. John M. Storey,
Mrs. Waldo Hutchins, Mrs. Leg'nd Lockwood,
Mrs. Morris K. Jesup, Mrs. J. Farley Cox.
Tickets 50 cents. For sale at Tiffany & Co.'s, and at the principal music-stores.

PROGRESSIVE SOCIABLE.—ANOTHER of those popular entertainments will be given THIS EVENING, at Ebbitt Hall, corner of Broadway and 33d-st. Doors open at 7¼ o'clock; dancing to commence at 8. Admission 50 cents.

HUNTINGTON'S GREAT PAINTING OF MRS. WASHINGTON'S RECEPTION DAY—On view, day and evening, at the Art Gallery, No. 625 Broadway.

TO ACTORS.—A LOT OF BOYDELL'S Shakespearean Engravings of 1790 to 1801 inclusive. For particulars call at No. 28 Burling-slip, office No. 3, between 1 and 2 P. M., till Thursday.

INSTRUCTION.

COLUMBIA GRAMMAR SCHOOL—NOS. 327 and 329 4th-av. Rev. Dr. GEORGE W. BACON, LL.B., Principal; Dr. RICHARD S. BACON, LL.B., Vice-Principal, with nine assistant instructors. Three departments—Classical, Commercial and Preparatory. All the advantages of the institution, including modern languages, gymnasium and military drill, are open to every pupil, without extra charge. Pupils coming from a distance will be received into the families of the instructors. Catalogues containing full particulars at the book-stores and School.

MR. GEO. C. ANTHON'S
CLASSICAL, FRENCH AND ENGLISH SCHOOL,
with primary department and gymnasium.
No. 212 5th-av., corner of 26th-st.
Open from 9½ A. M. to 2½ o'clock P. M.

THE RUTGERS FEMALE INSTITUTE,
NOS. 487, 489, 491 FIFTH-AVENUE, NEW-YORK,
will reopen WEDNESDAY, Sept. 20.
H. M. PIERCE, President

JAMES H. TYNG'S
PRIVATE SCHOOL FOR BOYS,
No. 907 Broadway.

THE LATE MRS. G. ANTON CALLENDER'S
FRENCH AND ENGLISH BOARDING AND DAY SCHOOL, NO. 32 EAST 21ST-ST.,
was reopened Sept. 20, under the charge of Miss ARMSTRONG, the former Superintendent, and will be conducted with the same teachers and upon the same principles heretofore so successfully carried out.

M. W. LYON'S
COLLEGIATE INSTITUTE,
Nos. 161 5th-av. and 937 Broadway, corner of 22d-st. Its rooms have lofty ceilings, are all upon the same floor and heated by steam. For spaciousness, light, ventilation, ease of access and of supervision, indeed for all school purposes, they cannot well be surpassed. All the older pupils are under the direct training of Mr. Lyon, the younger, of Mrs. Lyon. Parents are invited to call.

MRS. FITZ HENRI
Respectfully informs her friends and the public that her English and French boarding and day school for young ladies and children, No. 40 Irving-place, reopened Sept. 20, and that the second quarter, or half session, will commence on WEDNESDAY, the 29th of November. By particular request a separate department has been arranged for little boys.

BOARDING SCHOOL FOR BOYS.
YONKERS MILITARY INSTITUTE,
YONKERS, N. Y.
W. H. ARTHUR & CO., No. 39 Nassau-st., New-York, or
BENJAMIN MASON, Yonkers.

IRVING INSTITUTE—TARRYTOWN, N. Y.—A boarding school for boys. The fifty-sixth semi-annual session will commence WEDNESDAY, Nov. 1. For circulars apply to the principal,
D. S. ROWE, A. M.

MOUNT WASHINGTON COLLEGIATE INSTITUTE, No. 126 West 4th-st., corner of Macdougal, on Washington Square, (Classical, Mathematical, Foreign Languages, Commercial and Primary,) GEO. W. CLARKE, A. M., Rector.

HUDSON RIVER INSTITUTE AT Claverack, Columbia County, N. Y. Next term opens Jan 1.
Rev. ALONZO FLACK, A. M., Principal.

ANY LADY DESIRING INSTRUCTION in penmanship at her residence may secure the services of a competent lady teacher by addressing Miss A. B., at Goldsmith's Institute, No. 756 Broadway.

SCHOOL FOR FEEBLE-MINDED AND IMBECILE CHILDREN. H. M. KNIGHT, M. D., Lakeville, Conn.

MILITARY, CLASSICAL AND COMMERCIAL ACADEMY, Nyack, Rockland County, N. Y. For circulars, address C. RUTHERFORD, A. M.

TEACHERS.

TO TEACHERS.—WANTED—PRINCIPAL Public School near New-York, $1,100; one for country school on Hudson River, salary moderate; professor music, Alabama, and one for Virginia; Methodist lady for English and music, for an Ohio family; several ladies for music, French and drawing. All who seek positions should have "American School Institute's" application form. J. W. SCHERMERHORN, No. 130 Grand-st.

MRS. WOODBURY, THE WONDERFUL sympathetic and clairvoyant lady, will amusingly entertain her audience THIS (Wednesday) EVENING, at 7½ o'clock, at Hall No. 814 Broadway, above 11th-st. She will puzzle the medical faculty and confound the philosopher. Admission 15 cents.

AN ITALIAN GENTLEMAN, SPEAKING English, wishes a situation as teacher of mathematics, Italian and French, or either of them, in a school in or out of town; or the care of a few private pupils. Address, for terms and reference, C. N., care of Messrs. Meirt & Nash, No. 93 Exchange-place, New-York.

WANTED—A LADY WHO IS THOROUGHLY competent to teach mathematics and the higher English branches, to give daily lessons of an hour or two each to a young lady at her residence. Direct, by note, MATHEMATICS, No. 575 Broadway, stating qualifications, terms and address.

A FRENCH LADY, AN EXPERIENCED teacher, perfectly conversant with the English language, wishes to devote a portion of each day to teaching in a gentleman's family as an equivalent for board; unexceptionable references can be given. Address L. P. M., Box No. 149 Times Office.

A YOUNG LADY COMPETENT TO EDUCATE children in various elementary studies, and in music, desires a situation in some respectable family, or in school. Address PRECEPTRESS, care Dr. J. Harris, No. 148 East 34th-st.

A FRENCH TEACHER IN ONE OF THE first schools in the city wishes two more pupils; terms $20 for fifty lessons. Address Mlle. J. M. C., Station G, Post-office.

WANTED—BY A YOUNG LADY A SITUAtion as governess to young children, or as companion to an elderly lady. Address L. T., Box 1,110 N. Y. Post-office.

AMUSEMENTS.

NIBLO'S GARDEN.

Lessee and Manager..........WM. WHEATLEY
This establishment does not advertise in the New-York Herald.
WEDNESDAY EVENING, Dec. 6, 1865, will be presented the grand spectacular Irish drama, in three acts, by Dion Boucicault and E. H. House, entitled
ARRAH-NA-POGUE;
OR, THE WICKLOW WEDDING.
MR. T. H. GLENNEY..........as..........SHAUN THE POST
Messrs J. G. Burnett, D. E. Ralston, J. W. Blaisdell, J. Nunan, Geo. Becks, E. B. Holmes, Wm. Scallan, Danvers, Barry, Rendle, &c., &c., Misses Agnes Perry, Mary Wells, and Maria Maeder, &c., in the cast.
Entirely new scenery and scenical effects,
mechanical contrivances, appointments,
and characteristic costumes.
TO-MORROW, (Thursday,) THANKSGIVING,
EDWIN FORREST
AS
METAMORA.
FRIDAY, as DAMON.
Admission, 75 cents; Reserved Seats, $1; Family Circle, (entrance on Crosby-st.,) 30 cents.
Doors open at 7¼. Begins at 7¾.
Seats secured six days in advance.

WALLACK'S.

Proprietor and Manager.......Mr. LESTER WALLACK
This establishment does not advertise in the New-York Herald.
Open at 7½..........Begin at 8.
WEDNESDAY, THURSDAY, FRIDAY and SATURDAY, 12th, 13th, 14th and 15th nights of LOST IN LONDON.
EVERY EVENING.
The original great play of intense interest and powerful effects, in five acts, by Watts Phillips, author of the "Dead Heart," &c.,
LOST
IN
LONDON.
CHARACTERS BY MESSRS. J. W. WALLACK, CHARLES FISHER, YOUNG, J. C. WILLIAMSON, BROWNE, POPE, GRAHAM and WARD; MISSES MADELINE HENRIQUES, FANNY MORANT, MARY BARRETT and GREEN.
NEW SCENERY by Messrs. ISHERWOOD and MAEDER.
INCIDENTAL MUSIC and CHORUS, composed expressly for the play, by Mr. MOLLENHAUER.
The NEW SCENERY will comprise: ACT I—Scene 1. Interior of Job Armroyd's House. SCENE 2. Scene in Cornwall. SCENE 3. "DOWN IN THE DARKSOME MINE." ACT II.—Drawing-room in Mr. Featherstone's House. ACT III.—Exterior of Mr. Featherstone's Villa—WINTER. ACT IV.—Saloon and Supper-room in Mr. Featherstone's House. ACT V.—A Cottage in the Suburbs of London.
The great demand for seats to witness
LOST IN LONDON,
will, for the present, postpone the production of the
ATTRACTIVE NOVELTIES,
in active preparation.

FOX'S OLD BOWERY THEATRE.

Lessee, Director and Manager..........Mr. G. L. FOX
This establishment does not advertise in the New-York Herald.
EVERY NIGHT TILL FURTHER NOTICE.
THE IMMENSELY SUCCESSFUL
Grand Pantomimic Spectacular Drama,
SINBAD THE SAILOR;
OR, THE VALLEY OF DIAMONDS.
MISS FANNY HERRING....as..........SINBAD
MR. G. L. FOX..........as..........KABOL
WITH ONE HUNDRED DIFFERENT CHARACTERS.
A GRAND PANORAMA.
MOST BRILLIANT PICTURES IN THE PIECE.
COMMENCING WITH A CAPITAL DRAMA.
MR. W. H. WHALLEY, MR. LEWIS MESTAYER,
MISS R. DENVIL, MR. WM. MARDEN.
THURSDAY—THANKSGIVING.
TWO GRAND PERFORMANCES.
AFTERNOON AT 2; EVENING AT 7.
SINBAD THE SAILOR.

BRYANT'S.

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PIANO-FORTES,
are now acknowledged the best instruments in America as well as in Europe, having taken thirty-two First Premiums, Gold and Silver Medals, at the principal fairs held in this country within the last ten years, and in addition thereto they were awarded a First Prize Medal at the Great International Exhibition in London, 1862, in competition with two hundred and sixty-nine pianos from all parts of the world.
Among the many and most valuable improvements introduced by Messrs. STEINWAY & SONS in their Piano-fortes,
THE SPECIAL ATTENTION OF PURCHASERS
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PATENT AGRAFFE ARRANGEMENT.
The value and importance of this invention having been practically tested, in all their grands and highest price square Piano-fortes, and admitted to be the greatest improvement of modern times, they now announce that they have determined to introduce their "Patent Agraffe Arrangement" in every Piano-forte manufactured by them, without increase of cost to the purchaser, in order that all their patrons may reap the full advantage of this great improvement.
Extract from the testimonial of the most distinguished Artists to STEINWAY & SONS:
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Greatest possible depth, richness and volume of tone, combined with a rare brilliancy, clearness, and perfect evenness throughout the entire scale, and, above all, a surprising duration of sound, the pure and sympathetic quality of which never changes under the most delicate or powerful touch.
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THE NATIONAL FINANCES.

(*Continued from the Fifth Page.*)

been thus loaned, no branch of useful industry has suffered by the investment. It is undoubtedly true that, if the wealth which has been invested in United States securities could have been employed in agriculture, in commerce, in mining and manufactures—in opening farms and the better improvement of those already under cultivation, in building railroads and ships, in working the mines, and in increasing the variety and amount of our manufactures—the nation would have been far in advance of what it now is in material prosperity. But it is also true, that, notwithstanding the large investments by the people of the United States in the securities of their government—notwithstanding, also, more than two millions of men, in the Northern States alone, were, for longer or shorter periods, in the military service, and at least [illegible]00,000 for a good part of the time the war continued were constantly under arms—and notwithstanding the immense waste of life, consequent upon operations so extensive and battles so sanguinary as characterized this memorable struggle, the larger part of the country, has still, since 1860, progressed both in wealth and population. The loyal States have advanced in material prosperity in spite of the great drain that has been made upon them; and now that the war is closed the Union is no longer in peril, and the men that made the armies on both sides so effective and formidable, are to be again employed in profitable pursuits, the onward march of the country—even if a temporary reaction, as the result of the war, and the redundancy of the currency, shall be experienced—will be decided and resistless.

The debt is large, but if kept at home, as it is desirable it should be, with a judicious system of taxation it need not be oppressive. It is, however, a debt. While it is capital to the holders of the securities, it is still a national debt, and an incumbrance upon the national estate. Neither its advantages nor its burdens are or can be shared or borne equally by the people. Its influences are anti-republican. It adds to the power of the Executive by increasing Federal patronage. It must be distasteful to the people, because it fills the country with informers and tax-gatherers. It is dangerous to the public virtue, because it involves the collection and disbursement of vast sums of money, and renders rigid national economy almost impracticable. It is, in a word, a national burden, and the work of removing it—no matter how desirable it may be for individual investment—should not be long postponed.

MEASURES FOR THE PAYMENT OF THE DEBT.

As all true men desire to leave to their heirs unincumbered estates, so should it be the ambition of the people of the United States to relieve their descendants of this national mortgage. We need not be anxious that future generations shall share the burden with us. Wars are not at an end, and posterity will have enough to do to take care of the debts of their own creation.

Various plans have been suggested for the payment of the debt, but the Secretary sees no way of accomplishing it, but by an increase of the national income beyond the national expenditures. In a matter of so great importance as this, experiments are out of place. The plain beaten path of experience is the only safe one to tread.

The first step to be taken is, to institute measures for funding the obligations that are sure to mature. The next is, to provide for raising, in a manner the least odious and oppressive to tax-payers, the revenues necessary to pay the interest on the debt, and a certain definite amount annually for the reduction of the principal. The Secretary respectfully suggests that on this subject the expression of Congress should be decided and emphatic. It is of the greatest importance, in the management of a matter of so surpassing interest that the right start should be made. Nothing but revenue will sustain the national credit, and nothing less than a fixed policy for the reduction of the public debt will be likely to prevent its increase.

STATEMENT OF THE DEBT.

On the 31st day of October, 1865, since which time no material change has taken place, the public debt, without deducting funds in the Treasury, amounted to $2,808,549,437 55, consisting of the following items:

Bonds, 10-40's, 5 per cent., due in 1904	$172,770,100 00	
Bonds, Pacific Railroad, 6 per cent., due in 1895	1,258,000 00	
Bonds, 5-20's, 6 per cent., due in 1882, 1884, and 1885	659,259,600 00	
Bonds, 6 per cent., due in 1881	265,347,400 00	
Bonds, 5 per cent., due in 1880	18,415,000 00	
Bonds, 5 per cent., due in 1874	20,000,000 00	
Bonds, 5 per cent., due in 1871	7,022,000 00—	$1,144,072,100 00
Bonds, 6 per cent., due in 1868	8,908,341 80	
Bonds, 6 per cent., due in 1867	9,415,250 00	
Compound interest notes, due in 1867 and 1868	173,012,141 00	
7-30 Treasury notes, due in 1867 and 1868	830,000,000 00—	1,021,335,732 80
Bonds, Texas indemnity, past due	760,000 00	
Bonds, Treasury notes, &c., past due	613,920 09—	1,373,920 09
Temporary loan, ten days' notice	99,107,745 46	
Certificates of indebtedness, due in 1866	55,905,000 00	
Treasury notes, 5 per cent., Dec. 1, 1865	32,536,901 00—	187,549,646 46
United States notes	428,160,569 00	
Fractional currency	26,057,469 20—	454,238,038 20
Total		$2,808,549,437 55

The following is a statement of receipts and expenditures for the fiscal year ending June 30, 1865:

RECEIPTS.

Balance in Treasury agreeably to warrants, July 1, 1864		$96,739,905 73
Receipts from loans applicable to expenditures	$864,863,499 17	
Receipts from loans applied to payment of public debt	607,361,241 68	
Receipts from customs	84,928,260 60	
Receipts from lands	996,553 31	
Receipts from direct tax	1,200,573 03	
Receipts from internal revenue	209,464,215 25	
Receipts from miscellaneous sources	32,978,284 47—	1,801,792,627 51
Total		$1,898,532,533 24

EXPENDITURES.

Redemption of public debt		$607,361,241 68
For the civil service	$44,765,558 12	
For pensions and Indians	14,258,575 38	
For the War Department	1,031,323,360 79	
For the Navy Department	122,567,776 12	
For interest on public debt	77,397,712 00—	1,290,312,982 41
Total		$1,897,674,224 09

Leaving a balance in the Treasury on the 1st day of July, 1865, of $858,309 15

The following statement exhibits the items of increase and decrease of the public debt for the fiscal year 1865:

Amount of public debt, June 30, 1865	$2,682,593,026 53
Amount of public debt, June 30, 1864	1,740,690,489 49
Total increase	$941,902,537 04

Which increase was caused as follows, by

Bonds, 6 per cent., acts July 17, 1861	$29,799,500 00	
Bonds, 6 per cent., act Feb. 25, 1862	4,000,000 00	
Bonds, 6 per cent., act March 3, 1863	32,327,726 66	
Bonds, 6 per cent., act June 30, 1864	91,789,000 00—	$157,916,226 66
Bonds, 5 per cent, act March 3, 1864		[illegible]
Bonds, 6 per cent., acts July 1, 1862, and July 2, 1864, issued to Central Pacific Railroad Company, interest payable in lawful money		1,258,000 00
Treasury notes, 7-30, acts June 30, 1864, March 3, 1865, interest payable in lawful money		671,610,400 00
Compound interest notes, 6 per cent., act June 30, 1864	$178,756,080 00	
Temporary loan, 6 per cent., act July 11, 1862	17,386,869 96—	196,142,949 96
United States notes, acts Feb. 25, 1862, July 11, 1862, and Jan. 17, 1863		1,509,205 16
Fractional currency, act March 3, 1863		[illegible]
Gross increase		$1,135,[illegible] 63
From which deduct for payments:		
Bonds, 6 per cent, act July 21, 1841	$1,400 00	
Treasury notes, 6 per cent., acts Dec. 23, 1857, and March 2, 1861	158,800 00	
Bonds, 5 per cent., act Sept. 9, 1850, (Texas indemnity)	1,3[illegible]7,000 00	
Treasury notes, 7-30, act July 17, 1861	30,212,300 00	
Certificates of indebtedness, 6 per cent., act March 1, 1862	44,957,000 00	
Treasury notes, 5 per cent., one and two year, act March 3, 1863	111,132,740 00	
United States notes, act July 17, 1861, and Feb. 12, 1862	[illegible] 25	
Postal currency, act July 17, 1862	5,353,147 94—	[illegible]
Net increase		$941,902,537 04

In the report of the Secretary for the year 1864, there was excluded from the public debt the sum of $77,897,347 02, which amount had been paid out of the Treasury, but had not been reimbursed to the Treasurer by warrants, and was not reimbursed until after the commencement of the next fiscal year. This explains the difference between $18,842,558 71, assumed in that report as the balance in the treasury July 1, 1864, and $96,739,905 73, the balance according to the warrant account, as above stated.

The following is a statement of the receipts and expenditures for the quarter ending Sept. 30, 1865.

RECEIPTS.

Balance in treasury, agreeable to warrants, July 1, 1865		$858,309 15
Receipts from loans applicable to expenditures	$138,773,097 22	
Receipts from loans applied to payment of public debt	138,409,163 35—	277,182,260 57
Receipts from customs	47,009,583 03	
Receipts from lands	132,890 68	
Receipts from direct tax	31,111 30	
Receipts from internal revenue	96,618,885 65	
Receipts from miscellaneous sources	18,398,729 94—	162,186,200 58
Total		$440,226,770 27

EXPENDITURES.

For the redemption of public debt	$138,409,163 35	
For the civil service	10,571,460 99	
For pensions and Indians	6,024,241 86	
For the War Department	165,369,237 32	
For the Navy Department	16,820,669 81	
For interest on the public debt	36,173,481 50—	$373,068,254 83
Leaving a balance in the Treasury on the 1st day of October, 1865, of		$67,158,515 44

The Secretary estimates that the receipts for the remaining three-quarters of the year ending June 30, 1866, will be as follows:

Balance in Treasury, Oct. 1, 1865		$67,158,515 44
Receipts from customs	$100,000,000 00	
Receipts from lands	500,000 00	
Receipts from inter. revenue	175,000,000 00	
Receipts from miscellaneous sources	30,000,000 00—	305,500,000 00
Total		$372,658,515 44

The expenditures, according to the estimates, will be:

For the civil service	$32,994,052 38	
For pensions and Indians	12,256,790 94	
For the War Department	307,788,750 57	
For the Navy Department	35,000,000 00	
For interest on public debt	96,813,868 70—	484,853,462 64
Deficiency		$112,194,947 20

The receipts for the year ending June 30, 1867, are estimated as follows:

From customs	$100,000,000 00	
From internal revenue	275,000,000 00	
From lands	1,000,000 00	
From miscellaneous sources	20,000,000 00—	$396,000,000 00

The expenditures, according to the estimates, will be:

For civil service	$42,165,[illegible]	
For pensions and Indians	17,609,640 [illegible]	
For the War Department	39,017,416 18	
For the Navy Department	43,982,457 50	
For the interest on the public debt	141,542,068 50—	$284,317,1[illegible] 88
Leaving a surplus of estimated receipts over estimated expenditures of		$111,682,838 12

The debt of the United States was increased during the fiscal year ending June 30, 1865, $941,902,537 04, and during the first quarter of the present fiscal year $138,773,097 22. The Secretary has, however, the satisfaction of being able to state that during the months of September and October the public debt was diminished to the amount of about $13,000,000.

If the expenditures for the remaining three-quarters of the present fiscal year shall equal the estimates, there will be a deficiency, to be provided for by loans, of $112,194,947 20, to which must be added $32,536,901 for the five per cent. Treasury notes, (part of the public debt,) which become due the present month, and are now being paid out of moneys in the Treasury, and all other payments which may be made on the public debt.

The heavy expenditures of the last fiscal year, and of the months of July and August of the present fiscal year, are the result of the gigantic scale on which the war was prosecuted during a portion of this period, and the payment of the officers and men mustered out of the service. The large estimates of the War Department for the rest of the year are for the payment of troops which are to remain in the service, and of those which are to be discharged, and for closing up existing balances.

The statement of the probable receipts and expenditures for the next fiscal year is, in the highest degree, satisfactory. According to estimates which are believed to be reliable, the receipts of that year will be sufficient to pay all current expenses of the government, the interest on the public debt, and leave the handsome balance of $111,682,818 12 to be applied toward the payment of the debt itself.

By the statement of the public debt on the 31st of October, it appears that, beside the compound interest, the United States and the fractional notes, the

past-due debt amounted to $1,373,920 09
The debt due in 1865 and 1866 to 187,549,646 46
The debt due in 1867 and 1868 to 848,323,591 80

During the month of October about $50,000,000 of the compound interest notes were funded in 5-20 six per cent. bonds under the provisions of the Act of March 3, 1865.

NECESSITY FOR FURTHER LOANS.

The Secretary would be gratified if the Treasury could be put at once in a condition to obviate the necessity of issuing any more certificates of indebtedness, or raising money by any kind of temporary loans; but he may, for a short period, be obliged to avail himself of any means now authorized by law for meeting current expenses and other proper demands upon the Treasury.

Of the debt falling due in 1867 and 1868, $830,000,000 consist of 7 3-10 notes. It may be regarded as premature to fund any considerable amount of these notes within the next year; but in view of the fact that they are convertible into bonds only at the pleasure of the holders, it will be evidently prudent for Congress to authorize the Secretary, whenever it can be advantageously done, to fund them in advance of their maturity.

The Secretary has already recommended that he be authorized to sell bonds of the United States, bearing interest at a rate not exceeding six per cent., for the purpose of retiring Treasury notes and United States notes. He further recommends that he be authorized to sell, in his discretion, bonds of a similar character to meet any deficiency for the present fiscal year, to reduce the temporary loan by such an amount as he may deem advisable, to pay the certificates of indebtedness as they mature, and also to take up any portion of the debt maturing prior to 1869 that can be advantageously retired. It is not probable that it will be advisable, even if it could be done without pressing them upon the market, to sell a much larger amount of bonds within the present or the next fiscal year than will be necessary to meet any deficiency of the Treasury, to pay the past due and maturing obligations of the government, and a part of the temporary loan, and to retire an amount of the compound interest notes and United States notes sufficient to bring back the business of the country to a healthier condition. But no harm can result from investing the Secretary with authority to dispose of bonds, if the condition of the market will justify it, in order to anticipate the payment of those obligations that must soon be provided for.

When the whole debt shall be put in such a form that the interest only can be demanded, until the government shall be in a condition to pay the principal, it can be easily managed. It is undeniably large, but the resources of the country are even now ample to carry and gradually to reduce it; and with the labor question at the South settled on terms just to the employer and the laborer, and with entire harmony between the different sections, it will be rapidly diminished in burden and amount, by the growth of the country, without an increase of taxation.

The following estimate of the time that would be required to pay the national debt (if funded at five per cent. and at five and one-half per cent.) by the payment of two hundred millions of dollars annually on the interest and principal, and also the diminution of the burden of the debt by the increase of productions, may not be without interest to Congress and to tax-payers.

THE AGGREGATE DEBT AND THE INTEREST.

The national debt, deducting moneys in the Treasury, was, on the 31st of October, 1865, $2,740,854,750. Without attempting a nice calculation of the amount it may reach when all our liabilities shall be accurately ascertained, it seems safe to estimate it, on the 1st of July, 1866, at $3,000,000,000. The exact amount of existing indebtedness yet unsettled, and the further amount that may accrue in the interval are not now capable of exact estimation, and the revenue of the same period can be only approximately calculated, but it will be safe to assume that the debt will not exceed the sum named.

The annual interest upon $3,000,000,000, if funded at 5½ per cent. per annum, would be $165,000,000, but if funded at 5 per cent., it would be $150,000,000.

Now, if $200,000,000 per annum should be applied, in half-yearly installments of $100,000,000 each, in payment of the accruing interest, and in reduction of the principal funded at the higher rate of 5½ per cent., the debt would be entirely paid in thirty-two and one-eighth years. At 5 per cent. per annum, it would be extinguished by the like application of $100,000,000 every six months, in a little over twenty-eight years.

At the higher rate, the sum applied in the first year in reduction of the principal of the debt would be thirty-five millions of dollars; in the last, or thirty-second year, when the interest would be diminished to a little over nine millions, about one hundred and ninety-one millions of the uniform annual payment would go to the reduction of the principal.

On the assumption that the debt may be funded at five per cent., fifty millions would be applicable to the reduction of the principal in the first year, and in the twenty-eighth or last year of the period—the interest falling to less than eight millions—one hundred and ninety-two millions of the annual payment would go to the principal.

The annual interest accruing upon $1,725,000,000 of the debt on the 31st of October last averages 6.62 per cent. A part of this sum is now due, another portion will be payable next year, and the balance will be due or payable, at the option of the government, in 1867 and 1868. If these $1,725,000,000 shall be funded or converted into 5 per cents by the year 1869, the average interest of the whole debt will be 5.195 per cent. In the year 1871, if the debt then maturing should be funded at the same rate, the average interest would be reduced to 5.15, and in 1881 to 5 per cent., excepting the bonds for $50,000,000 to be advanced in aid of the Pacific Railroad at 6 per cent., which will have thirty years to run from their respective dates. The interest of these bonds, added to the supposed 5 per cents, would, in 1881, make the average rate of the entire debt five and three one-hundredths of one per cent. until the whole should be discharged.

In these calculations of the average rate of interest upon the funded debt, the outstanding United States notes and fractional currency are not embraced. Whatever amount of these four hundred and fifty-four millions may eventually be funded at five per cent. per annum, will proportionally reduce the average rates of interest upon the whole debt.

By the terms and conditions of some portion of the debt, the interest on the whole cannot be reduced to exactly five per cent., unless money may be borrowed, at some stage of the process, at a trifle below five per cent. A bonus of one-tenth of one per cent., paid by the bidders for five per cent. loans, would more than cover the excess, the probability of which fully warrants the calculation submitted as to the payment of the total debt at this rate.

It must be observed, also, that the assumed principal of the debt in July, 1866, must undergo some diminution before the funding in 1867, 1868 and 1869 begins. If only $100,000,000 shall be paid off in these three years, the principal, thus reduced to $2,900,000,000, would be extinguished by the process already stated in 29 years, if funded at 5½ per cent., and, if at 5 per cent., in something less than 27 years. And, it is well worthy of attention that $100,000,000 less principal, at the commencement of the process of payment, will save $400,000,000, in round numbers, in the end, if the rate is 5½ per cent., and $300,000,000 if 5 per cent.

OUR NATIONAL RESOURCES.

The burden of a national debt is, of course, relative to the national resources, and these resources are not, strictly speaking, capital, but the current product of the capital and industry of the country. The annual product, however, is found to bear a certain ratio to capital, and this ratio may be conveniently and safely used in computing the probable resources which must in the future meet the national requirement for the payment of interest and extinguishment of the debt.

It has been estimated by one who has made this subject a study, that the products of agriculture, manufactures, mining, mechanic arts, commerce, fisheries and forests, in the year 1850, were as 28.9 per cent of the value of the real and personal property of the United States. A similar calculation makes the products of 1860 26.8 per cent. of the wealth of the country in that year, as fixed by the census returns. In the calculation submitted, the annual products of capital and industry are taken, for convenience, at 25 per cent of the capital wealth of the country, and the capital of each decennial year of the thirty that our national debt may run before its extinguishment by the application of $200,000,000 per annum to the payment of its principal and interest, is here estimated upon the basis of its amount and increase as given by the census of 1860. In the year 1860 the real and personal property of the Union was valued (slaves excluded) at $14,183,000,000. Of this amount the States lately in insurrection held $3,467,000,000, being an increase upon the like property in 1850 of 139.7 per cent. The property of the loyal States was valued at $10,716,000,000, an increase of 126.6 per cent. over 1850; together averaging a decennial increase of 129.7 per cent.

Now, taking the increase of wealth in the loyal States in the ten years from 1860 to 1870 at 125 per cent., we have, as their capital in 1870, $24,111,000,000; and if we put the wealth of the other States at the same figure as in 1860, without allowing anything for increase, we have a capital for 1870 of $27,578,000,000. This sum gives us the product of the year at $6,894,500,000, upon which a payment on the debt of $200,000,000 is 2.9 per cent. If we add but 27 per cent to the wealth of 1860 for the States lately in insurrection as their probable valuation in 1870, the charge of $200,000,000 upon the products of that year will be 2.81 per cent. But, allowing all that can be claimed in this respect, and taking the lowest estimate for 1870 as the basis for calculating the wealth and products of the year 1880, 125 per cent. increase in this period gives a capital of $62,000,000,000, and a product of $15,512,000,000, upon which sum a charge of $200,000,000 falls to 1.29 per cent. In 1890, the wealth, estimated at an increase of only 100 per cent. upon that of 1880, gives the year's products at $31,025,000,000, upon which $200,000,000 amounts to only 0.644 per cent., or less than two-thirds of one per cent., and in the year 1900, the tax upon the products of the year would fall to 0.322 per cent., or less than one-third of one per cent.

To this charge upon the resources of the country, if there be added one hundred and forty millions in 1870 for all other expenditures, one hundred and fifty millions in 1880, one hundred and sixty millions in 1890, and one hundred and seventy millions in 1900, the estimated total expenditure will be 4.93 per cent. of the products of capital and industry in 1870, 2.26 per cent. in 1880, 1.17 per cent. in 1890, and barely seven-tenths of one per cent. in 1900. Or, in general statement, the total estimated charges of the National Government for the payment of the debt in thirty years, and all other ordinary expenses, begin at less than 5 per cent. of the resources of the country, and end in seven-tenths of one per cent.

These estimates and the basis upon which they rest, are sustained by the result of English experience under a debt one-third larger than ours, with ordinary and extraordinary expenses at least one-half larger than ours are likely to reach, and borne through a period of much less wealth-producing power. The government charges for all expenditures fifty years ago, took one pound in six of the products of Great Britain, but these charges have now fallen to one pound in nine. We commence our national burdens with resources that, in the very first year, will be required to bear an aggregate of less than five per cent. or one dollar in twenty.

It is true that many circumstances may occur to prevent the accomplishment of these anticipated results: but the estimates have been made upon what are regarded as reliable data, and are well calculated to encourage Congress in levying taxes and the people in paying them.

$200,000,000 A YEAR TO PAY THE DEBT.

After careful reflection, the Secretary concludes that no act of Congress (except for raising the necessary revenue) would be more acceptable to the people, or better calculated to strengthen the national credit, than one which should provide that two hundred millions of dollars, commencing with the next fiscal year, shall be annually applied to the payment of the interest and principal of the national debt. The estimates for the next fiscal year indicate that a very much larger amount could be so applied without an increase of taxes.

Before concluding his remarks upon the national debt, the Secretary would suggest that the credit of the five-twenty bonds issued under the acts of Feb. 25, 1862, and June 30, 1864, would be improved in Europe, and, consequently, their market value advanced at home, if Congress should declare that the principal, as well as the interest, of these bonds is to be paid in coin. The policy of the government in regard to its funded debt is well understood in the United States; but the absence of a provision in these acts that the principal of the bonds issued under them should be paid in coin, while such a provision is contained in the act under which the ten-forties were issued, has created some apprehension in Europe that the five-twenty bonds might be called in at the expiration of five years and paid in United States notes. Although it is not desirable that our securities should be held out of the United States, it is desirable that they should be of good credit in foreign markets, on account of the influence which these markets exert upon our own. It is, therefore, important that all misapprehensions on these points should be removed by an explicit declaration of Congress that these bonds are to be paid in coin.

QUESTION OF TAXING GOVERNMENT BONDS.

In view of the fact that the exemption of government securities from State taxation is, by many persons, considered an unjust discrimination in their favor, efforts may be made to induce Congress to legislate upon the subject of their taxation. Of course, the existing exemption from State and municipal taxation of bonds and securities now outstanding will be scrupulously regarded. That exemption is a part of the contract under which the securities have been issued and the money loaned thereon to the government, and it would not only be unconstitutional, but a breach of the public faith of the nation to disregard it. It would also, in the judgment of the Secretary, be unwise for Congress to grant to the States the power, which they will not possess unless conferred by express Congressional enactment, of imposing local taxes upon securities of the United States which may be hereafter issued. Such taxation, in any form, would result in serious, if not fatal, embarrassment to the government, and, instead of relieving, would eventually injure the great mass of the people, who are to bear their full proportion of the burden of the public debt. This is a subject in relation to which there should be no difference of opinion. Every taxpayer is personally interested in having the public debt placed at home, and at a low rate of interest, which cannot be done if the public securities are to be subject to local taxation. Taxes vary largely in different States, and in different counties and cities of the same State, and are everywhere so high that, unless protected against them, the bonds into which the present debt must be funded cannot be distributed among the people, except in some favored localities, unless they bear a rate of interest so high as to make the debt severely oppressive, and to render the prospect of its extinguishment well-nigh hopeless. Exempted from local taxation, the debt can, it is expected, be funded at an early day at five per cent.; if local taxation is allowed, no considerable portion of the debt which falls due within the next four years can be funded at home at less than 8 per cent. The tax-payers of the United States cannot afford to have their burdens thus increased. It is also evident that the relief which local tax-payers would obtain from government taxation, as the result of a low rate of interest on the national securities, would, at least, be as great as the increase of local taxes to which they would be subjected on account of the exemption of government securities; while if those securities should bear a rate of interest sufficient to secure their sale when subject to local taxes, few, if any of them, would long remain where those taxes could reach them. They would be rapidly transferred to other countries, into the hands of foreign capitalists, and thus at last the burden of paying a high rate of interest would be left upon the people of this country without compensation or alleviation.

THE INTERNAL REVENUE SYSTEM.

The present system of internal revenue is one of the results of the war. It was framed under circumstances of pressing necessity, affording little opportunity for careful and accurate investigation of the sources of revenue. Its success, however, has exceeded the anticipations of its authors, and is a most honorable testimonial to their wisdom, and to the patriotism of the people who have so cheerfully submitted to its burdens.

With the restoration of peace, industry is returning again to its former channels, and a revision of the system now becomes important to accommodate it to the changed and changing condition of the country.

Every complicated system of taxation opens the way to mistakes, abuses and deceptions. Temptations to dishonesty and fraud are placed before the revenue officers and the tax-payers, and both are often thereby demoralized. Honest men, who pay their taxes in full, are injured, if not ruined, by the ingenuity of those who successfully evade their share of the public burdens.

The multiplicity of objects at present subject to taxation is one of the most serious objections to the present system. Many of these yield little revenue, while its collection is troublesome to the collector and irritating and offensive to the tax-payers. This multiplicity also involves as many temptations to fraud, and as many difficult questions for decision, as the objects from which large revenue is derived.

To impose taxes judiciously, so as to obtain revenue without repressing industry, is one of the highest and most difficult duties devolved upon Congress. Taxation which in one year may be scarcely felt, may the next year be oppressive; and that which may not be burdensome to those who are well established in business may be fatal to those just commencing. Every branch of industry has its infancy, and ought to be encouraged by liberal legislation. Whatever of industry or enterprise is destroyed, by injudicious taxation or otherwise, is a damage to the national welfare.

Heavy taxation may drive capital from our shores, or prevent its employment in the manner most advantageous to the country, and thus prevent that demand for labor which is the best security for its proper reward.

The taxation which is now extremely productive may in a few years become unproductive, or engender a spirit of opposition and discontent which may endanger the national credit.

It is important, therefore, that our revenue system should be frequently and carefully revised, in order that it may be accommodated to the nature and character of the people, to the industry of the country, to labor and capital, to wages at home and wages abroad. It is also of the highest importance that there should be a careful adjustment of our internal to our external revenue system.

That views somewhat similar to these were entertained by Congress, is indicated by the provision in amendatory act of March 3, 1865, by which the Secretary of the Treasury was authorized to "appoint a commission, consisting of three persons, to inquire and report, at the earliest practicable moment, upon the subject of raising by taxation such revenue as may be necessary in order to supply the wants of the government, having regard to and including the sources from which such revenue should be drawn, and the best and most efficient mode of raising the same."

This subject received the early attention of the Secretary, and under the authority of the act, after careful deliberation, a commission was organized, consisting of Messrs. DAVID A. WELLS, STEPHEN COLWELL and S. S. HAYES, representing, to a certain extent, different sections and interests, and also different political sentiments. The commission was fully organized in June, and has since then been actively engaged in the prosecution of its labors.

An investigation of the character of the revenue, contemplated by the act authorizing this commission, necessarily involves a careful and comprehensive inquiry into the condition of every industry, trade, or occupation in the country likely to be affected by the national revenue system, and, in the absence of nearly all previously compared and exact data, must necessarily be protracted and laborious. From a preliminary report made to the Secretary by the commission, he has reason to infer that enough has already been accomplished by them to indicate the value of an investigation like that in which they are now engaged, and to demonstrate the necessity of the accumulation of a correct and accurate knowledge, properly digested and presented, as a basis for our future revenue legislation.

The plan pursued by the commission has been, to take up specifically, those sources of revenue which our own experience, and the experience of other countries, have indicated as likely to be most productive under taxation and most capable of sustaining its burdens. In pursuance of this plan, a large number of witnesses have been examined, and much valuable testimony put upon record.

It is understood to be the opinion of the Commissioners that it would be inexpedient at once to make any radical and violent changes in the nature and working of the present revenue system, and that we should rather seek, through experience and study, to perfect the present system by degrees, so as to gradually adapt it to the industrial habits and fiscal capacity of the people. The Secretary is also informed by the Commissioners that it seems certain to them that, without any increase in the rate of taxation, but by the enactment of some modifications and amendments of the present law, coupled, possibly, even with some reduction in the rates, an increase of revenue from comparatively few sources to the extent of some $50,000,000 or $60,000,000 per annum over and above that now obtained, may be confidently relied on. If this should be the case, an early repeal of a multitude of small taxes which, from the inquisitorial character of their method of collection, have become extremely odious and objectionable, will be advisable.

Although the work of the commission has been thus far mainly directed to the sources likely to be most productive of revenue, the consideration of the subject of the administration of the law has not been omitted by them; and in this department it is believed that some valuable recommendations will be submitted for the consideration of Congress.

As a gratifying feature of their work, the commission report a most cheerful and prompt coöperation on the part of nearly all the representatives of the industrial interests of the country in the procurement of exact information, and a universal expression of ready acquiescence in any demands upon them which the future necessities of the government may require, united, at the same time, with a request that the government should, on its part, seek to equalize, so far as practicable, and fairly distribute, the apportionment of its requirements.

In view of the fact that the revision of the whole revenue system has been committed to this commission, the Secretary does not consider it proper for him to present his views upon this important subject in advance of their final report, which it is hoped will be made early in the session.

There are some subjects, however, presented in the report of the Commissioner of Internal Revenue which require the attention of Congress before the report of the commission is received, and in relation to which there should be early action.

In putting into operation the system of internal revenue in the recently rebellious States, it became necessary for the Secretary to decide whether or not an effort should be made to collect the taxes which accrued prior to the establishment of revenue offices therein. After giving the subject due consideration, the Secretary, in view of the facts that there were no Federal revenue officers to whom payment of taxes could be made, that the people (many of them involuntarily) had been subjected to heavy taxation by the government which was attempted to be established in opposition to that of the United States, and had been greatly exhausted by the ravages of war, issued a circular, under date of the 21st of June, declaring "that, without waiving in any degree the right of the government in respect to taxes which had before that time accrued in the States and Territories in insurrection, or assuming to exonerate the taxpayer from his legal responsibility for such taxes, the department did not deem it advisable to insist, at present, on their payment, so far as they were payable prior to the establishment of a collection district embracing a territory in which the tax-payer resided."

For substantially the same reasons that induced the Secretary to issue this circular he deemed it to be his duty to suspend all further sales under the direct tax law. Tax Commissioners, however, have been appointed for each State, and collections have been made, as far as has been practicable to make them, without sales of property. Some sales had, however, been previously made in many of the States, and large amounts of property had been purchased for the government. In South Carolina a portion of the lands thus purchased have since been sold under the 11th section of the act of August, 1863.

During the war the laws in regard to stamps have been, of course, in the insurrectionary States, entirely disregarded; and, as a consequence, immense interests are thereby imperiled.

In view, therefore, of the recent and present condition of the Southern States, the Secretary recommends:

First—That the collection of internal revenue taxes which accrued before the establishment of revenue offices in the States recently in rebellion be indefinitely postponed.

Second—That all sales of property in those States, under the Direct Tax Law, be suspended until the States shall have an opportunity of assuming (as was done by the loyal States) the payment of the tax assessed upon them.

Third—That all transactions in such States, which may be invalid by the non-use of stamps, be legalized as far as it is in the power of Congress to legalize them.

What action, if any, should be taken for the relief of persons in those States, whose property has been sold under the Direct Tax Law, and is now held by the government, it will be for Congress to determine. The Secretary is decidedly of the opinion that liberal legislation in regard to the taxes which accrued prior to the suppression of the rebellion will tend to promote harmony between the government and the people of those States, will ultimately increase the public revenues, and vindicate the humane policy of the government.

The Secretary is happy in being able to state that the affairs of the Bureau of Internal Revenue are being satisfactorily administered, and the working of the system throughout the country is being gradually improved.

For want of proper accommodations in the Treasury Building, the bureau has been removed to the large and commodious building on Fifteenth-street, which has been secured for such time as the government may require its use, at the annual rent of $23,000.

RECIPROCITY TREATIES.

The Reciprocity Treaty with Great Britain will expire on the 17th of March next, and due notice of this fact has been given, by circulars, to the officers of customs on the Northern frontier.

There are grave doubts whether treaties of this character do not interfere with the legislative power of Congress, and especially with the constitutional power of the House of Representatives to originate revenue bills; and whether such treaties, if they yield anything not granted by our general revenue laws, are not in conflict with the spirit of the usual clause contained in most of our commercial treaties, to treat each nation on the same footing as the most favored nation, and not to grant, without an equivalent, any particular favor to one nation not conceded to another in respect to commerce and navigation.

It appears to be well established that the advantages of this treaty have not been mutual, but have been in favor of the Canadas. Our markets have been strong, extensive, and valuable—theirs have been weak, limited, and generally far less profitable to our citizens. The people of the Canadas and Provinces have been sellers and we buyers of the same productions for which we are often forced to seek a foreign market. It is questionable, in fact, whether any actual reciprocity, embracing many of the articles now in the treaty, can be maintained between the two countries. Even in regard to the fisheries, it is by no means certain that, instead of equivalents having been acquired under the treaty, more than equal advantages were not surrendered by it. But, whatever the facts may be, this subject, as well as that of intercommunication through rivers and lakes, and possibly canals and railroads, are proper subjects of negotiation, and their importance should secure early consideration.

It is certain that, in the arrangement of our complex system of revenue through the tariff and internal duties, the treaty has been the cause of no little embarrassment. The subject of the revenue should not be embarrassed by treaty stipulations, but Congress should be left to act upon it freely and independently. Any arrangement between the United States and the Canadas and Provinces, that may be considered mutually beneficial, can as readily be perfected and carried out by reciprocal legislation as by any other means. No complaint would then arise as to subsequent changes of laws, for each party would be free to act at all times, according to its discretion.

However desirable stability may be, an irrepealable revenue law, even in ordinary times, is open to grave objections, and in any extraordinary crisis is likely to be pernicious. The people of the United States cannot consent to be taxed as producers while those outside of our boundaries, exempt from our burdens, shall be permitted, as competitors, to have free access to our markets. It is desirable to diminish the temptations now existing for smuggling, and if the course suggested, of mutual legislation, should be adopted, a revenue system, both internal and external, more in harmony with our own, might justly be anticipated from the action of our neighbors, by which this result would be most likely to be obtained.

OUR MINERAL LANDS.

The attention of Congress is again called to the importance of early and definite action upon the subject of our mineral lands, in which subject are involved questions not only of revenue, but social questions of a most interesting character.

Copartnership relations between the government and miners will hardly be proposed, and a system of leasehold, (if it were within the constitutional authority of Congress to adopt it, and if it were consistent with the character and genius of our people,) after the lessons which have been taught of its practical results in the lead and copper districts, cannot of course be recommended.

After giving the subject as much examination as the constant pressure of official duties would permit, the Secretary has come to the conclusion that the best policy to be pursued with regard to these lands is the one which shall substitute an absolute title in fee for the indefinite possessory rights or claims now asserted by miners.

The right to obtain a "fee simple in the soil" would invite to the mineral districts men of character and enterprise; by creating homes, (which will not be found where title to property cannot be secured,) it would give permanency to the settlements, and, by the stimulus which ownership always produces, it would result in a thorough and regular development of the mines.

A bill for the subdivision and sale of the gold and silver lands of the United States was under consideration by the last Congress, to which attention is respectfully called. If the enactment of this bill should not be deemed expedient, and no satisfactory substitute can be reported for the sale of these lands to the highest bidder, on account of the possessory claims of miners, it will then be important that the policy of extending the principle of preëmption to the mineral districts be considered. It is not material, perhaps, how the end shall be attained, but there can be no question that it is of the highest importance, in a financial and social point of view, that ownership of these lands, in limited quantities to each purchaser, should be within the reach of the people of the United States who may desire to explore and develop them.

In this connection it may be advisable for Congress to consider whether the prosperity of the treasure-producing districts would not be increased, and the convenience of miners greatly promoted, by the establishment of an assay office in every mining district from which an annual production of gold and silver amounting to $10,000,000 is actually obtained.

FRAUDS ON THE CUSTOMS—REVENUE-CUTTERS.

The attempts at smuggling, stimulated by the high rates of duties on imports, have engaged the attention of the department, and such arrangements have been made for its detection and prevention as seemed to be required by the circumstances, and available for that purpose.

It is quite apparent, however, that, with our extensive seacoasts and inland frontier, it is impracticable entirely to prevent illicit traffic, though checks at the most exposed points have doubtless been put to such practices.

In this connection it may be remarked that the revenue cutters are diligently and usefully employed in the preventive service, within cruising limits so defined as to leave no point of sea and gulf coasts unvisited by an adequate force.

A similar arrangement will be extended to the lakes on the reopening of navigation, the cutters built for that destination not having been completed in time to be put in commission before its close.

The cutters are an important auxiliary to the regular customs authorities, in the collection and protection of the public revenue, by the examination of incoming vessels and their manifests of cargo; affording succor to vessels in distress; aiding in the enforcement of the regulations of harbor police, and otherwise preventing or detecting violations or evasions of law. A service of this description is unquestionably useful, if not indispensable, to the administration of the revenue system of a maritime and commercial country with such extensive sea, lake and gulf coasts as our own.

There are now in the service 27 steamers and 9 sailing vessels. Of the steamers 7 are of the average of 350 tons, and draw 9 feet of water. These large vessels were constructed during the progress of the late rebellion, and were designed for the combined purpose of a naval force and a revenue coast guard. Their heavy armaments, large tonnage and crews, however well fitted for such purposes, are not adapted for the revenue service in a time of peace. In consequence of their great draft of water, they must be used mainly as sea-going vessels, and are incapable of navigating the shallow waters of the coasts and their tributaries, which afford the most favorable opportunities for contraband trade. Independently of these considerations, they are so constructed as to be unable to carry a supply of fuel for more than three, or possibly four days at the furthest.

It is recommended, therefore, that this department be vested with authority to sell the vessels of this description, and expend the proceeds in the purchase of others of a different character and lighter draft, and, on that account, better fitted to accomplish the purposes of a preventive service, and which can be kept in commission at a cost more than one-third less than those of the former class.

For example, the difference in the cost of running for twelve months the *Mahoning*, one of the first-named class, and the *Nansemond*, one of the latter class, is $27,606. The *Mahoning*, with twelve tons of coal per diem, can make but eight knots per hour; while the *Nansemond*, with eight tons of coal per diem, will make twelve knots per hour. The *Nansemond*, drawing but six feet nine inches, is enabled to cruise in waters entirely inaccessible to the *Mahoning*.

To render the service effective and economical, cutters should be of light draft, manned by a small crew, and able to navigate the shoal waters and penetrate the inland bays, rivers and creeks, with which our sea, lake and gulf coasts abound, but of sufficient tonnage to enable them to perform efficiently and safely the duties of a coast-guard at sea, and to furnish succor to vessels in distress; and at the same time to navigate the interior waters for the prevention of smuggling, and reach readily a port of refuge in the tempestuous weather prevailing at times along our coast, should they be forced to do so.

MARINE HOSPITAL.

The working of the Marine Hospital system, as at present constituted, is not altogether satisfactory. The erection and repair of numerous expensive buildings, and the support of the establishments necessarily connected with their operations, have entailed upon the government a yearly expense far beyond the amount contributed by the seamen, which has been met by large annual appropriations by Congress.

The act of July 16, 1798, by which the system was created, and the rate of contribution fixed at twenty cents per month, confined the action of the government to the simple expenditure, for the benefit of the seamen, of the amounts thus contributed by themselves, and contemplated laying no burden on the public treasury. If it is deemed advisable to continue any system of relief, under control of the government, it is respectfully suggested that the original intent of the law should be carried into effect, and the fund made self-sustaining. With this view, it will be necessary to increase the fund, and to make a material reduction in the expenses.

Experience has shown, and former Secretaries have at various times, and with entire unanimity, represented to Congress that the system of public marine hospitals, maintained and managed by the government, is the least economical method that has been devised for the administration of this fund, and affords the least comparative benefit to the seamen. The expenses of these establishments are large, independently of the number of seamen received in them. When the patients are numerous, the average rate of expense per man is not unreasonable; but where they are few, as at most of the public institutions, the expense per capita is very largely in excess of the cost of maintaining them under contract at private, State or municipal institutions, where they would be better accommodated, at an expense exactly proportioned to the services rendered.

Mention may be made, in illustration, of one of these public hospitals, which is maintained at an annual expense of upward of $4,000, and which accommodates an average of less than a single patient, at a daily cost per capita of more than $14 50; while quite as satisfactory relief can be had under contract for about $1 per day.

There are, moreover, several hospital buildings, erected at great cost, now lying idle, out of repair, and not available for their intended use. Some of these have never been occupied, and one, at least, is situated at a point remote from any port, and where relief is never demanded. Others now occupied are in a condition requiring large and immediate outlay to preserve them.

In view of these facts, it is strongly recommended that authority be conferred by law upon this department to sell such hospitals as experience has shown are not needed, retaining only those situated at important ports where, by the course of commerce, demands for relief are likely to be most frequent and pressing, and where contracts on favorable terms cannot be procured with private or municipal institutions. The proceeds should either be returned into the treasury in repayment of their cost, or invested for the benefit of the hospital fund.

In favor of the contract system it may be remarked, that it is in operation most successfully at New-York, where demands for relief are far the heaviest; at Baltimore, Philadelphia, St. Louis, Louisville and Cincinnati; and it is believed that quite as advantageous and satisfactory arrangements might be made at other ports where government hospitals are now located. Even at ports where it may be deemed best to retain the ownership of the hospital buildings, it might be advisable to lease them to private or municipal hospitals, which would gladly receive the seamen on favorable terms. Such an arrangement was formerly in force at Charleston, S. C., much to the advantage of the patients and the fund.

Should these suggestions be adopted, and, at the same time, the rate of contribution fixed at thirty cents a month, instead of twenty as at present, the proceeds of the tax, thoroughly collected and economically administered, would be ample to meet every demand which a judicious discrimination in affording relief would make upon them; and the seamen would receive far more substantial and efficient benefit than under the present system.

As to the increased rate of contribution it may be said that the existing rate has stood unchanged, through all the fluctuations of prices and wages, since 1798; that it is quite disproportioned to the benefit derived by the seamen from the marine hospital system; and that persons of this class are, as a general thing, otherwise free from Federal legislation. In this view, there can be no hardship or injustice in making the moderate increase suggested.

NATIONAL BANKS.

By the report of the Comptroller of the Currency, it appears that sixteen hundred and one banks had been, on the 31st of October last, organized under the National Banking Act. Of these, six hundred and seventy-nine were original organizations, and nine hundred and twenty-two conversions from State institutions.

The Comptroller recommends several amendments to the acts, which will arrest the attention of Congress.

The recommendation that the banks shall be compelled to redeem their notes at one of the three cities named is heartily indorsed. At some future day it may be advisable that redemptions shall be authorized at Western and Southern cities; but as long as exchange continues to be in favor of the seaboard, it is not expedient to permit banks to redeem at interior points. There are very few country banks or banks in the interior cities that do not keep their chief balances in either Boston, New-York, or Philadelphia, there being a regular demand for exchange on these cities. Where the current of trade requires the banks to keep accounts for their own accommodation and that of their customers and the public, there should their redemptions be made. Notes that are par in either of these cities will very rarely be at a discount in any part of the United States, and will be as nearly of uniform value as is, perhaps, ever to be expected in a paper currency.

The Secretary is hopeful that the time is not far distant when redemptions will be something more than nominal. Experience and observation have taught him that frequent redemptions are essential to the solvency of banks of circulation. Nothing so well teaches a bank the necessity of keeping its loans in the hands of prompt customers, and its means under its own control, as the certainty of being frequently called upon to meet its own obligations. It is quite important that inexperienced bankers, under the national banking system, should learn that their notes are not money, but promises to pay it; and the sooner and the more effectively this lesson is impressed upon them, the better will it be for their stockholders and the system.

The national banking system was designed not only to furnish the people with a sound circulation, but one of uniform value; and this is not likely to be fully accomplished until the banks, by compulsion or their own voluntary act, keep their notes at par in the principal money markets of the country.

The establishment of the national banking system is one of the great compensations of the war—one of the great achievements of this remarkable period. In about two years and a half from the organization of the first National Bank, the whole system of banking under State laws has been superseded, and the people of the United States have been furnished with a circulation bearing upon it the seal of the Treasury Department as a guarantee of its solvency. It only remains that this circulation shall be a redeemable circulation; redeemable not only at the counters of the banks, but at the commercial cities, to make the national banking system of almost inconceivable benefit to the country.

The present law limits the circulation of the national banks to $300,000,000; and it is not probable, when the business of the country returns to a healthy basis, that a larger paper circulation than this will be required. Indeed, it is doubtful whether a larger circulation can be maintained on a specie basis. Should an increase, however, be necessary, it can be provided for hereafter. It is, perhaps, unfortunate that a greater restriction had not been placed upon the circulation of the large banks already organized, in view of the wants of the Southern States. It is quite likely, however, that the anticipated withdrawal of a portion of the United States notes (not to speak of the effect of the restoration of specie payments) will so reduce the circulation of the Northern banks as to afford to the South, under the present limitation of the law, all the paper currency which will be required in that quarter.

PAYMENTS TO THE ARMY.

The Act of March 3, 1865, authorized the Secretary to borrow any sums not exceeding $600,000,000, and to issue therefor bonds or Treasury notes of the United States in such form as he might prescribe.

Under this act there was issued during the month of March $70,000,000 of notes, payable three years after date, and bearing an interest payable semi-annually in currency, at the rate of seven and three-tenths per cent. per annum, and convertible at maturity, at the pleasure of the holders, into five-twenty gold-bearing bonds.

Upon the capture of Richmond, and the surrender of the Confederate armies, it became apparent that there would be an early disbanding of the forces of the United States, and consequently heavy requisitions from the War Department for transportation and payment of the army, including bounties. As it was important that these requisitions should be promptly met, and especially important that not a soldier should remain in the service a single day for want of means to pay him, the Secretary perceived the necessity of realizing as speedily as possible the amount—$530,000,000—still authorized to be borrowed under this act. The seven and three-tenths notes had proved to be a popular loan, and although a security on longer time and lower interest would have been more advantageous to the government, the Secretary considered it advisable, under the circumstances, to continue to offer these notes to the public, and to avail himself, as his immediate predecessors had done, of the services of JAY COOKE, Esq., in the sale of them. The result was in the highest degree satisfactory. By the admirable skill and energy of the agent, and the hearty coöperation of the National Banks, these notes were distributed in every part of the Northern, and some parts of the Southern States, and placed within the reach of every person desiring to invest in them. No loan ever offered in the United States, notwithstanding the large amount of government securities previously taken by the people, was so promptly subscribed for as this. Before the 1st of August the entire amount of $530,000,000 had been taken, and the Secretary had the unexpected satisfaction of being able, with the receipts from customs and internal revenue and a small increase of the temporary loan, to meet all the requisitions upon the Treasury.

On two hundred and thirty millions of these notes the government has the option of paying the interest at the rate of six per cent. in coin, instead of seven and three-tenths in currency. The Secretary thought it advisable to reserve this option, because he indulged the hope that before their maturity specie payment would be restored, and because six per cent. in coin is as high a rate of interest as the government should pay on any of its obligations.

THE SALE OF COIN.

The receipts of coin have been for some months past so large that there has been constant accumulations beyond what have been required for the payment of the interest on the public debt. The Secretary has, therefore, deemed it to be his duty to sell, from time to time, a portion of the surplus for the purpose of supplying the wants of importers and furnishing the means for meeting the demands upon the Treasury for currency. The sales have been conducted by the Assistant Treasurer in New-York in a manner entirely satisfactory to the Department, and, it is believed, to the public. The sales, up to the 1st of November, amounted to $27,993,216 11, and the premium to $12,310,459 76; thus placing in the Treasury for current use, the sum of 40,303,675 87, without which there would have been a necessity for the further issue of interest bearing notes.

SINKING FUND IMPRACTICABLE.

The necessities of the treasury have been such that a compliance with the requirements of the act of Feb. 25, 1862, for the creation of a sinking fund, has been impracticable. As long as it is necessary for the government to borrow money, and to put its obligations upon the market for sale, the purchase of these obligations for the purpose of creating a sinking fund would hardly be judicious. After the expiration of the present year, the income of the government will exceed its expenses; and it will then be practicable to carry into effect the provisions of the law. The Secretary is, however, of the opinion that the safe and simple way of sinking the national debt is to apply directly to its payment the excess of receipts over expenditures. He therefore respectfully recommends, that so much of the act of Feb. 25, 1862, as requires the application of coin to the purchase or payment of one per cent. of the entire debt of the United States, to be set apart as a sinking fund, be repealed.

DEPOSITS OF BULLION.

By virtue of the authority conferred by the fifth section of the act of March 3, 1863, the Treasurer of the United States and the Assistant Treasurer in New-York have been instructed to receive deposits of coin and bullion, and to issue certificates therefor in denominations of not less than $20.

Instructions were given for the issue of these certificates to promote the convenience of officers of customs and of the Treasurer and Assistant Treasurers, and for the accommodation of the public. Other considerations also prompted the Secretary to avail himself of the authority referred to. It is expected that the credit of the government will be strengthened by the coin which will be thus brought into the Treasury, and that the effect of the measure will be to facilitate to some extent a return to specie payments. If the experiment should be satisfactory in New-York, it will be extended to other commercial cities.

THE MINT AND ITS OPERATIONS.

For a full explanation of the condition of the mints and their operations during the past year, attention is requested to the report of the Director of the Mint at Philadelphia.

The total value of the bullion deposited at the Mint and branches during the last fiscal year was $32,248,754 97, of which $31,065,349 74 was in gold, and $1,183,405 23 in silver. Deducting the redeposits, there remain the actual deposits amounting to $27,982,849 09.

The coinage for the year was, in gold coin, $25,107,217 50; gold bars, $5,578,482 45; silver coin, $636,308 00; silver bars, $313,910 69; cents, including the two and three-cent pieces, $1,183,330 00; total coinage, $32,819,248 64.

Of the bullion deposited, $5,570,371 27 was received at the assay office in New-York. Of the gold bars, $4,947,809 21, and of silver bars, $165,003 45, in value, were stamped at the same office.

At the branch mint in San Francisco the gold deposits were $18,808,318 49, and the silver deposits and purchases $540,299 20 in value. The value of the gold coined was $18,670,840 00; of silver coined $320,800 00; and of silver bars $145,235 58. Total coinage $19,144,875 58.

At the branch mint in Denver the total deposits were $548,609 85, of which $541,559 04 was in gold, and $7,050 81 was in silver.

COAST SURVEY.

The survey of the coast, which is under the administrative direction of this department, has been for the past year prosecuted with vigor. Under special assignments most of the field assistants have coöperated with the naval and military forces of the government, and in that way important service was rendered up to the end of the war. Since the termination of hostilities the regular operations of the survey have been pushed forward as rapidly as the available means would permit.

The national importance of this work was clearly evinced during the war, and now seems to be generally appreciated. It is therefore recommended that the necessary appropriations be made for the efficient continuance of the work.

LEGAL MATTERS.

The attention of Congress is called to the report of the Solicitor of the Treasury, which exhibits the satisfactory results of the litigation under his supervision; and also the condition of the measures adopted by him and the officers of the customs for the suppression of frauds upon the revenue.

Attention is also specially called to so much of his report as relates to the administration of the fund appropriated to defray the expenses of detecting and bringing to punishment counterfeiters of the securities and coin of the United States. The measures which have been adopted have been attended with important results, and such as to indicate the wisdom of Congress in creating the fund, and the expediency of continuing appropriations. The Solicitor has been requested to cause a thorough revision of the laws relating to counterfeiting to be made, and a bill to be prepared for the consideration of Congress, with a view to remedying defects in existing statutes.

COMMERCE WITH REBEL STATES.

Operations under the several acts of Congress concerning commercial intercourse with the States declared to be in insurrection, the execution of which was confided to this department, have been nearly brought to a close, partly by the restoration of peace, and partly by Executive proclamations. The provisions of those acts were carried out, as far as it was possible in the disturbed condition of the country, under the rules and regulations adopted by the department, with the approval of the Executive, not only without cost to the government, but in such manner as to add considerably to its revenues.

The regulations adopted in conformity with the requirements of the second section of the act of July 2, 1864, relative to abandoned lands, houses and tenements, and freedmen, were, at the request of the military authorities, and from considerations of public policy, suspended by orders of August 11, 1864. Since then, from time to time, as it was ready to assume the charge of them, the duties appertaining to these subjects have been transferred to the Bureau of Refugees, Freedmen and Abandoned Lands, according to the provisions of the act of Congress approved March 3, 1865.

By Executive orders, all operations under sections 8 and 9 of the act approved July 2, 1864, authorizing the purchase by agents of this department, of the products of the insurrectionary districts, were closed, on the east of the Mississippi River on the 13th of June last, and west of it on the 24th of the same month. The accounts of the different purchasing agents have not been settled, but it is thought that the net profits of the Government by these purchases will amount to $1,500,000.

Since the suspension of purchases by the government, the duties of the agents of this department have been confined to securing the property (chiefly cotton) captured by our military forces in pursuance of the acts of March 12, 1862, and July 2, 1864, relative to captured and abandoned property. Up to the 31st of March last there had been received at New-York, Cincinnati and St. Louis, the places designated for sales—including 38,319 bales obtained at Savannah, 4,151 bales at Charleston, and 2,331 at Mobile—about 80,000 bales.

The general rule under which agents have been acting since the surrender of the forces which had been waging war against the Government of the United States, is to collect and forward, as captured property, all cotton described upon the books and lists of the pretended Confederate Government, or which there was sufficient reason to believe was owned or controlled by it, and that which belonged to companies formed for the purpose of running the blockade, in support of, if not in direct coöperation with, the league which had been formed to overthrow the Government of the United States, leaving individual claimants of the property to their recourse before the Court of Claims, as provided by the third section of the act approved March 12, 1863. In the performance of their duties, the agents have had great difficulties to encounter, from the unwillingness of the planters to surrender the captured property in their possession, from extensive depredations upon it after it was collected, and from powerful combinations formed to prevent, under various pretexts, the property fairly captured from coming into the possession of the United States. In spite of all these obstacles, however, it is estimated, from the accounts already received, and from data furnished by the agents, that there will be secured to the government not less than 125,000 bales of cotton, including the 80,000 bales already referred to. What part of the proceeds of this property will ultimately be retained by the government will depend upon the success of the claimants before Congress and the courts. In collecting this cotton, there have been, doubtless some instances of injustice to individuals, who may be entitled to the consideration of Congress [illegible]

PUBLIC BUILDINGS.

The various public buildings under the control and management of the Treasury Department are in a favorable condition [illegible]

BETTER ACCOMMODATIONS WANTED.

The attention of Congress is earnestly called to the [illegible]

HUGH McCULLOCH,
Secretary of the Treasury.

Hon. SCHUYLER COLFAX,
Speaker of the House of Representatives.

LOCAL INTELLIGENCE.

DESTRUCTIVE FIRE.

Burning of the Steamship Weybosset—130 Bales of Cotton and a General Cargo Materially Damaged—Total Loss $60,000.

At half-past 4 o'clock yesterday morning the steamship *Weybosset*, Capt. PARISH, of the Star line, lying at pier No. 13 North River, [illegible]